# Daily Report

# Central Eurasia

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*FBIS-SOV-92-186* *24 September 1992*

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### Yeltsin Hands Over Documents on U.S. POW's; Vows Continued Efforts

During a meeting yesterday with Malcolm Toon, co-chairman of the joint Russian-U.S. commission on the affairs of servicemen and missing persons, Russian President Yeltsin handed over documents revealing the fate of missing Americans from World World II and the Korean and Vietnamese wars, ITAR-TASS reports. Yeltsin stressed "he had made great efforts and would continue to do so to ensure that not a single American should be left whose fate is unexplained." He reportedly has ordered "more assistance in the search for Americans who disappeared on the territory of the USSR" and will make a statement on the results of the joint commission at the end of October.

### Azerbaijan, Armenia Await 'Clear Mechanism' for Cease-Fire

"Until a clear mechanism of cease-fire is elaborated, the Azeri-Armenian conflict settlement is out of the question, said Azeri Defence Minister Ragim Gaziyev, commenting on the results of his recent meeting with the Armenian and Russian defense ministers," according to ITAR-TASS. The interlocutors will meet again the day before the established deadline to attempt to flesh out the current accord and to establish conditions and logistics for the actual cease-fire. Baku TV reports that the agreement states that military operations will cease "as of 25 September on the condition that precise means of implementing that cease-fire will have been worked out by that date." The minister also "stressed the introduction of any peace-keeping forces in the armed conflict areas - both in Azerbaijan and in Armenia - will be possible only on agreement of each side."

For his part, Armenian Defense Minister Manukyan has told NEZAVISIMAYA GAZETA that "Armenia's stance on the Karabakh crisis may change." Without referring directly to the cease-fire agreement, Manukyan said: "We are still advocating political methods of resolving the conflict...but no talks are possible if goodwill is absent on the other side." "Consequently, in the prevailing situation, force is the most important component of policy."

### Government Session Endorses Single Wage Scale

At a session in the Kremlin today chaired by President Boris Yeltsin, the Russian Government "endorsed a single wage scale for employees of the budgetary sectors," reports ITAR-TASS. Labor Minister Gennadiy Melikyan said that the essence of the move is that "a single scale composed of 18 grades will be introduced to replace a multitude of schemes." Melikyan added that "the wage scale is designed only for employees of the budgetary sphere" and "is not mandatory in production spheres." He said the scale will apply to about 15 million people and that "its rapid introduction" will cost 38-40 billion rubles. After a week of additional study, it will be recommended for introduction in "regions that already have adequate pre-conditions for this." During the discussion, President Yeltsin called for raising wage scales for workers and opposed giving regions the right to set for themselves "the size of the minimum wage that corresponds to the first grade of the scale."

## Official Examines Destruction of CBW Weapons

*PM2305144592 Moscow ROSSIYSKIYE VESTI in Russian 22 Sep 92 p 2*

[Interview with academician Anatoliy Kuntsevich, chairman of the Russian Federation President's Committee for Problems of Chemical and Biological Weapons Conventions, by Lev Chernenko; place, date not given: "In Order To Live We Should Destroy the Deadly Weapons Stockpiles"—first paragraph is ROSSIYSKIYE VESTI introduction]

[Text] The biological substances that secret laboratories developed for military purposes in the former USSR in contravention of the international convention can cause anthrax, botulism, and other terrible, fatal illnesses. But what is the situation today? Academician Anatoliy Kuntsevich, chairman of the Russian Federation president's Committee for Problems of Chemical and Biological Weapons Conventions, answers questions from a ROSSIYSKIYE VESTI correspondent.

[Chernenko] Anatoliy Demyanovich, what has caused the West's concern in connection with Russia's compliance with the Convention on Biological Weapons? Are there grounds for this?

[Kuntsevich] There are in fact no grounds for this, though there were legal problems. The point is that after the Convention on Biological Weapons was signed in 1972, the United States and Great Britain adopted special laws forbidding the development and implementation of offensive programs in this area which also stipulate definite accountability for such infringements. Having ratified the convention in 1975, the USSR did not adopt any such laws. It is only now after our committee has been formed that we, in analyzing the legal situation that has developed in this area, have come to the conclusion that it is necessary that we, too, adopt the appropriate legislative documents. As a result, the Russian Federation president's decree on guaranteeing that we discharge our international obligations in the area of biological weapons was recently issued, and the corresponding law is in preparation. In this way, having destroyed the research and production base of the offensive programs, we have created a legal basis which precludes their revival.

[Chernenko] So it turns out that it has taken us almost 20 years first of all to finally admit our violations in plain terms, and then to carry out the international convention's demands in their entirety...

[Kuntsevich] Indeed, these clear violations on the convention were only admitted after the totalitarian regime collapsed and duplicity in politics was abandoned. We admitted that after the convention was ratified, the offensive programs in the area of biological warfare were not immediately curtailed, research in this area continued, tests were carried out, and production went on. Methods of preparing biological agents for military purposes and methods of delivering them, using aircraft and missile munitions, were developed in one St. Petersburg institute and at three military facilities in Kirov, Yekaterinburg, and Sergiyev Posad. Tests were carried out at the test site situated on the island of Vozrozhdeniye in the Aral Sea.

[Chernenko] Was the outbreak of anthrax in Sverdlovsk [renamed Yekaterinburg] in 1979 linked to the activities of one of these facilities?

[Kuntsevich] There was indeed a military facility in this city which among other things worked on methods of preparing anthrax. But the pattern of events that occurred at Sverdlovsk cannot be unequivocally linked to the scenario of a putative accident at the facility. It should have left characteristic traces and had fairly clearly defined near and distant infection zones. But nothing of the kind occurred. In the military facility's settlement, which in the case of an accident would inevitably have fallen within the near infection zone, there were no cases of illness. The experts advance various scenarios for what happened. Before coming to any unequivocal conclusion, they should all be studied exhaustively. Our committee plans to carry out this work in the future.

[Chernenko] Does this military facility continue to exist in Yekaterinburg at the moment? And what in general is the fate of such facilities today?

[Kuntsevich] This facility, like similar centers in Kirov and Sergiyev Posad, are now only working on creating means of protection against biological weapons. It should be mentioned that our protective means of this kind are fairly competitive. It is no accident that during the war in the Persian Gulf when there were fears that Iraq might use biological weapons, we received offers from the West to buy up our protective means.

Apart from the protective means, the facilities are today engaged in developing new highly effective medicines. Having invested our scientists and specialists' efforts in this, we are preserving a great intellectual and scientific and technical asset. You have to admit that finding solutions to military questions in the area of microbiology gave great impetus to the development of this fundamental science and lead to a leading civilian sector being formed. Now that the equipment has been completely dismantled and the resources that previously were used for military purposes have been destroyed, there are no problems with changing these facilities' line of specialization to produce medical preparations.

The first palpable move toward such conversion, toward the offensive programs finally being wound down, was made in 1985 when it was proposed that the Soviet Union present a report to the United Nations on its compliance with the convention. At this time research also began to be wound down, and the equipment for producing biological preparations began to be dismantled. But this winding down process went on for several years. The remnants of the offensive programs in the

area of biological weapons were still around as recently as 1991. It was only in 1992 that Russia absolutely stopped this work.

[Chernenko] What measures have been taken to this end? What proof can we present to the world's public?

[Kuntsevich] We have already been talking about measures of a legal nature: A presidential decree has been issued and a law is in preparation. Within the Russian Defense Ministry's structure the relevant directorate has been abolished and a directorate for radiological, chemical, and biological protection has been set up. Finance for work even in the sphere of protective means has been reduced by 30 percent; personnel employed in this area has been reduced by 50 percent. The test site on the island of Vozrozhdeniye in the Aral Sea has been destroyed. Incidentally, specialists judge that the ecological situation on this island is normal. Now birds and other animals are settling there. You see every animal is in its own way a means of ecological monitoring. Of course, after destroying such a facility, the Ministry of Defense ought to hand over the test range's land in perfect order. This work is now in progress.

[Chernenko] But how are the stockpiles of biological weapons going to be destroyed?

[Kuntsevich] We did not have stockpiles of biological weapons. The point is that they cannot be kept for a long time. Therefore, the question of their destruction does not come up.

[Chernenko] Are measures for international monitoring of whether the convention is being complied with envisaged?

[Kuntsevich] Yes, the foreign experts can also satisfy themselves that the convention's conditions are being observed. For example, the president directed our experts to check one institute in St. Petersburg together with foreign specialists. We made the proposal to our foreign colleagues that they also visit other of our facilities, take away samples, take photographs, and shoot films. Of course on a mutual basis—our experts should receive the same rights in respect of similar foreign facilities. We are also proposing to form joint working groups including Russian and foreign experts. Another direction we are moving in is to give the scientific and production potential a new direction, moving away from military tasks toward civilian purposes. In our view there are great opportunities here for Russian-American cooperation, for joint projects.

[Chernenko] Yes, of course, it is necessary to think how to use the potential that is being made available. After all, specialists in biological weapons, once they have lost their jobs, may receive tempting offers, for example, from "third world" countries. How likely is it that there will be a "brain drain" in this area?

[Kuntsevich] There is no such phenomenon as a "brain drain," of course. But earlier, when military tasks were being carried out at our facilities, there were "defectors"—scientists and specialists who fled to the West. Incidentally, they exaggerated our potential a lot in the area of biological weapons in order to bump up their price. For example, in 1989 a certain Pasechnik, who was director of a St. Petersburg institute, fled to the West. He made up a lot in order to show how important he was. We are now suggesting to our Western colleagues that Pasechnik come with them to his old institute and show us what he made up. He did, of course, know a thing or two, but he invented a lot in order to bump up his price. This case is, of course, a throwback to the "cold war." We should build our relations today on another basis, on that of cooperation and trust.

[Chernenko] Biological weapons are now banned. The international convention has made them illegal. But as far as chemical weapons are concerned, a convention has not to date been adopted...

[Kuntsevich] Yes, work on this convention, in which we have been taking an active part, has already been going on for 20 years. Just recently its final version was completed and has been sent to the United Nations. The Convention on Chemical Weapons will be available for signing in Paris beginning in January 1993. Russia supports this important international document, whose adoption is putting in motion a mechanism for destroying chemical weapons and one for monitoring this process.

[Chernenko] How many of these weapons will we have to destroy? How are we going to do this, if we take into consideration that the plant in Chapayevsk, which was specially built for such purposes, has changed its line of specialization under public pressure?

[Kuntsevich] We will have to destroy 40,000 tonnes of poisonous substances. This will take 10 years. Yes, the Chapayevsk plant has changed its line of specialization; an educational and training center based on it has been created which prepares specialists in the destruction of chemical weapons. But how can this work to destroy them be carried out? Our committee put forward this method to the president, which, incidentally, the convention stipulates: to change the line of specialization of facilities that previously were producing chemical weapons so that they destroy them. Here the principle is as follows: He who produced the chemical weapons should also destroy them. That is, this matter should be exclusively in the hands of professionals.

[Chernenko] But where will these facilities be located?

[Kuntsevich] There are such plants in Cheboksary, Volgograd, and Dzerzhinsk. What is more the Cheboksary plant already has the technology to destroy them now—this capability was previously there to destroy poisonous substances in a "poor condition." There are also old, in part even prewar, stockpiles of poisonous substances—of mustard gas and lewisite—in Russia. They are kept in large quantities in the settlements of Gornyy in Saratov Oblast and Kambarka in Udmurtia. It is also best of all

to destroy them on the spot. The methods that we propose to use to destroy the poisonous substances are harmless and ecologically safe.

[Chernenko] The committee that you head is a very unusual organization which does not have any parallels in the past. What does its role consist of?

[Kuntsevich] It is our committee's duty to provide the highest authority in Russia in the area of carrying out the convention. For this we have been given great powers for monitoring the activities of the Ministry of Defense, the Ministry of Industry, and the Ministry of Health. The other side of our activities is to carry our inspections abroad. The level of the inspectors' training should allow them to carry out a highly professional, and painstaking analysis of similar foreign facilities in order to satisfy themselves 100 percent that our partners are carrying out their obligations just as strictly.

### Joint Statement with U.S. on Global Defense

*LD2309161792 Moscow ITAR-TASS World Service in Russian 0115 GMT 23 Sep 92*

["Joint Statement on the Consultations about a Global Defense System on 22 September 1992"—ITAR-TASS headline]

[Text] [no dateline as received] High-ranking Russian and U.S. delegations headed by Russian Deputy Foreign Affairs Minister Georgiy Mamedov, U.S. presidential aide Dennis Ross, and Undersecretary of State for International Security Affairs Frank Wisner held a meeting in Washington on 21-22 September aimed at continuing the discussions begun in Moscow in July on the matter of a global defense system [GDS]. These consultations are the outcome of an accord reached between Presidents Yeltsin and Bush regarding the fact that their countries must work jointly with their allies and other interested states with the aim of elaborating a concept for a GDS as part of an overall strategy on the proliferation of ballistic missiles and weapons of mass destruction. The high-level group held its first meeting in Moscow in July this year; the current meeting is the second.

An extremely positive discussion of all of the appropriate questions took place. The Russian and U.S. sides agreed that both countries are moving along the road of searching for answers to the challenges of the future in the security sphere, as partners and friends. One of the conclusions is that weapons of mass destruction and the means of supplying them still represent a threat to Russia, the United States, their allies, and other members of the world community. Faced with this common danger, they discussed the potential advantages of a GDS in which a wide range of interested states would participate, which would in turn strengthen international security and stability.

The discussions encompassed a wide range of issues, including:

—A detailed discussion on the GDS concept, including the matter of its joint nature;

—How the GDS might be the catalyst for a more active dialogue between its members on security matters;

—The exchange of information on technologies in extensive use;

—Possible technical projects on the basis of cooperation, including projects directed toward enhancing defense capacities;

—How GDS members might themselves exploit its advantages and grant them to others;

—Russian and U.S. ideas regarding the future legal basis of the GDS;

—An exchange of information on advance warning, including demonstration experiments;

The working groups set up in July have been instructed to present their recommendations on the possible means and methods for implementing the GDS to the next meeting of the high-level group. They will hold their sittings in October this year. Meanwhile, Russia and the United States will continue discussing the GDS with other states, in order to lay the foundations for extensive international participation in it.

**Russia's Grachev Comments on Karabakh Cease-Fire**

*PM2309201192 Moscow KRASNAYA ZVEZDA in Russian 24 Sep 92 pp 1, 3*

[Interview with Defense Minister General Pavel Grachev by Captain First Rank Vladimir Chupakhin; place, date not given: "We Resolved Military Questions and Tried To Clear the Way for the Politicians. Army General Pavel Grachev, Russian Federation Defense Minister, Comments on the Sochi Accords"—first paragraph is introduction]

[Text] In yesterday's edition of KRASNAYA ZVEZDA we published an account of the talks held between Azerbaijani Defense Minister R. Kaziyev and Armenian Defense Minister V. Sarkisyan with the direct participation of Russian Defense Minister P. Grachev, Russian Security Minister V. Barannikov, and Georgian Defense Minister T. Kitovani. We also published the agreement reached during these talks. This peacemaking initiative by the military leaders is unprecedented in nature and content and could at long last give the necessary impetus for unraveling the Azerbaijani-Armenian conflict, which seems hopeless to many people. Today we offer our readers some additional details and comments from one of the key players in the Sochi talks—Russian Defense Minister Army General Pavel Grachev.

[Chupakhin] Pavel Sergeyevich, it is possible to say that news of the Sochi initiative caused a sensation and was a complete surprise against the background of recent events in the Azerbaijani-Armenian conflict. How did you manage to organize this meeting and reach this agreement?

[Grachev] Yes, I can now disclose that on instructions from Russian President B. Yeltsin, I had been working on this issue for some time. First of all I held separate talks with the Armenian and Azerbaijani defense ministers and prompted both of them toward rapprochement and greater mutual understanding. Eventually I managed to bring about a meeting and got them to proceed directly to joint work on formulating accords. We deliberately went for a meeting behind closed doors, away from the press, and with the participation of only a limited circle of experts. To put it bluntly, I was apprehensive: What if we don't succeed, what if things don't come off. The basis of the agreement under preparation was all too fragile, there were all too many disagreements.

Russian Security Minister V. Barannikov and his apparatus joined the talks process right from the initial stage. Just before the meeting Georgian Defense Minister Tengiz Kitovani also expressed an interest in taking part, and he came to Sochi.

The meeting was stormy. We worked all day and all night. And in the end we nevertheless arrived at a positive result. An agreement has been concluded between the military leaders which, in my view, gives the politicians a real chance to meet at a "roundtable" and make decisions that will lead to a settlement of the conflict and the restoration of peace in the region.

[Chupakhin] Could you comment on the actual text of the agreement?

[Grachev] The most important article is the first one, which talks about a cease-fire in the conflict zone beginning at midnight on 25 September. There was no such article in any of the previous agreements. Prior to 25 September, representatives of both sides will travel to Moscow and together with us formulate protocols on a specific mechanism for withdrawing troops—which subunits, when they will be withdrawn, and in what order...

All the remaining details of the military settlement have also been clearly defined: A moratorium on all hostilities for a period of two months, withdrawal of troops within this period, and the stationing of observers from a number of CIS countries in the conflict zone, and also actually in Armenia and Azerbaijan. Armenian representatives will form part of the observer corps on Azerbaijani territory, and Azerbaijanis will go to Armenia. Responsibility for violations of the agreement will be determined by the Council of Observers, and not, as has happened previously, when the two sides merely exchanged unsupported accusations.

If the need arises, and specifically in instances where armed formations controlled neither by the Armenian nor the Azerbaijani military leadership are found to be continuing hostilities, the observers may suggest that peacekeeping forces be sent in to destroy these bandit formations.

[Chupakhin] I would very much like to hope that the ministers' agreement will be the peace breakthrough for which people in Armenia, Azerbaijan, all the CIS states, and all over the world have been waiting for so long. You know, however, that there have already been plenty of good initiatives which have unfortunately come to nothing...

[Grachev] Yes, there have been plenty of initiatives. I myself have been involved in many of them, including the famous meeting in Zheleznovodsk. We also held difficult talks back then, and hopes were raised. In my view, however, the accords we reached back then lacked specific content. Therefore nobody complied with them in the final analysis.

The present agreement is extremely specific. It contains clear-cut mechanisms for implementation and verification of implementation. Moreover, one cannot fail to realize that the situation has already reached the brink. Unless this agreement is complied with, there is no longer any point in talking about any peaceful settlement through the efforts of Armenia and Azerbaijan themselves. Then, in my opinion, there would only be one option left: Sending UN military contingents into the conflict zone or sending them in together with CIS peacekeeping forces. In this case the troops would clearly

have to close the border between Armenia and Azerbaijan and blockade the entire perimeter of Nagorno-Karabakh... All the strength and influence of the UN Security Council would have to be brought to bear to impress upon the leaders of the warring states the senselessness of the bloody slaughter...

I would still like to believe, however, that this extreme option will not be needed, that Armenians and Azerbaijanis are able to get over their resentment and settle the conflict with our help, and for a start clearly implement with what we agreed in Sochi.

Kaziyev and Sarkisyan were ultimately able to find a common language. Let me note, incidentally, that as a result of the fairly close contact that preceded the Sochi meeting, both of them began to try to call me their brother. Sometimes even their elder brother. I make no claims to the role of elder brother, but I said to my partners at the talks: If I am indeed your brother, then as a brother I ask you to carry out everything we are agreeing here. They both gave their word. This fact, which has incidentally been recorded on video for documentary purposes, may have a more personal feel to it, so to speak, but this, too, could play a definite positive role. At the end of the day both Kaziyev and Sarkisyan are Caucasians, and in the Caucasus it has long been considered shameful for a man not to remain true to his word.

In a wider sense, however, when I met with Armenian President L. Ter-Petrosyan, and when I spoke by telephone with Azerbaijani President A. Elchibey, and during many other conversations I got the clear feeling that both sides are sick of this war. People are tired, the two peoples are sick to death of it.

Nor should we ignore the purely military and military-technical problems. In an interview six months ago, I forecast that the military hardware currently available to Azerbaijan and Armenia would rapidly drop out of service because of the low level of servicing, the lack of qualified specialists, and the lack of spare parts. This is what is happening; my forecast is coming true. According to my information, less than one-half of the military hardware available to both sides is currently battleworthy. Another three or four months of active hostilities, and everything will come to a standstill... And who will they turn to for specialists and spare parts? Russia? We know what Russia's answer will be.

[Chupakhin] The participation of Georgian Defense Minister T. Kitovani in the Sochi meeting is conspicuous. Does the topic of events in Abkhazia not have something to do with this?

[Grachev] Yes, when we had seen off Kaziyev and Sarkisyan, the three of us—me, Barannikov, and Kitovani—discussed possible ways of settling the Georgian-Abkhaz conflict as well. Unfortunately, there was no Abkhaz representative at Sochi. Therefore we could only talk about unilateral proposals and things that the Georgian side could do. Nevertheless, in my view even this yielded encouraging results. A number of concrete measures were discussed in detail, for example withdrawing armed formations from the combat contact line, declaring Gagra and Pitsunda "no-conflict zones," and establishing observation posts to comply with the cease-fire regime in the zones that are becoming demilitarized. T. Kitovani agreed to withdraw troops from Sukhumi following the establishment of a trilateral observer commission to monitor activity and assist militia subunits to maintain order. There was also talk to the effect that the Abkhaz side should break up and disband all illegal formations within 10 days of the commission being established and expel them from Abkhaz territory.

All this should now be discussed with the Abkhaz side and if it agrees, it should become the basis for what would then be bilateral accords.

[Chupakhin] Any right-minded person could only welcome the work done by the ministers at Sochi. But comments of the following sort will undoubtedly be heard in the press: Why, they will say, are the military being so active about this, are they not taking the place of the politicians and the diplomats?

[Grachev] Once again I would like to stress that there is not one political statement in our agreement. We talked about purely military aspects. A cease-fire, a mechanism for withdrawing troops—all this is specifically the purview of the military leaders. We have attempted to clear away the "barricades" in our own military sphere, and now we can say that practically all the military questions have been resolved. We now need the efforts of politicians and government experts. But the main thing—and this, too, is mentioned in our agreement—is to hold meetings of heads of state and formulate appropriate political decisions as promptly as possible, decisions that can unravel the knot of Armenian-Azerbaijani contradictions and put an end to the bloodshed.

## Gorbunovs Praises Baltic Council Meeting

*LD2009022992 Riga Radio Riga Network in Latvian 1730 GMT 16 Sep 92*

[Excerpt] The scheduled sitting of the Baltic Council has concluded at Kadriorg Castle in Tallinn. At a news conference which followed, Anatolijs Gorbunovs, chairman of the Supreme Council, declared that the sitting was successful. There was high praise for the agreement between Lithuania and Russia on 8 September on the withdrawal of troops, as corresponding to paragraph 15 of the declaration adopted at the Helsinki CSCE summit on 10 July.

However, that document of the Helsinki summit meeting can only be inscribed when Latvia and Estonia also have such a treaty with Russia, and the Baltics are rid of the Russian Army not only on paper. That was the subject of an appeal signed today by the Baltic Council to the Senior Council of the CSCE, currently gathered in Helsinki. It also mentions some current issues which need to be examined urgently.

The Baltic Council also discussed the difficulties of Baltic-Russian economic relations that have arisen in cooperation among these countries. Gorbunovs expressed his attitude to the proceedings of the conference on the telephone.

[Begin Gorbunovs recording] We had not seen, we had not read, the text of this document; there was only a general announcement about it in the press. Therefore the actual text of the document was very important for us, and perhaps the technology itself, whereby this document was prepared and signed.

However, analyzing the whole situation, I may note with satisfaction that for Baltic unity this step by Lithuania is not upsetting, but perhaps to some extent does some good, because maybe we are in a new situation. Once we only as a Baltic unit examined and jointly signed documents, and a joint stance, and jointly prepared activity, but now a new situation has arisen whereby a treaty was concluded in the context of bilateral relations. [passage omitted] [end recording]

### Baltic Legal Assistance Treaty Ready for Signing

*WS1809130392 Vilnius ELTA NEWS BULLETIN in English 1506 GMT 17 Sep 92*

[ From ELTA "NEWS BULLETIN" No. 81]

[Text] 17 September 1992— A tripartite treaty of Lithuania, Latvia and Estonia on legal assistance and cooperation in concluding family and criminal cases has been coordinated, initialed and prepared for signing by the Lithuanian Ministry of Law.

In compliance with the treaty, arriving in any one of the Baltic countries, people will acquire the same legal guarantees which are enjoyed by the citizens of that country, their property and interests will be protected. In its structure and contents, this document closely resembles the treaty signed with Russia. A draft treaty is to be initialed with Belarus too. The Ukraine has also expressed desire to conclude an analogous treaty. Lithuania has received drafts of legal treaties from Poland and Bulgaria.

### Russia Equips Baltic States Border Posts

*PM2309093592 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Sep 92 p 1*

[Report by V. Filin: "Border Is 'Transparent' and Nights Are Dark..."]

[Text] It is known that, besides the Land of the Rising Sun, certain former Union neighbors are experiencing territorial doubts in relation to Russia. Lithuania, for example, is not averse to deeming as "its own" the rayons on the Kurskaya spit, the city of Sovetsk, and Lake Vistytis; Latvia is not averse to deeming as "its own" Pytalovskiy and Palkinskiy Rayons in Pskov Oblast; and Estonia is not averse to deeming as "its own" almost 800 square km of Kingiseppskiy Rayon in Leningrad Oblast and around 1,500 square km of Pechorskiy Rayon in Pskov Oblast.

The background to the territorial claims is a separate question. But they have suddenly taken virtually the most important position in Russia's life, and not because of the possible redrawing of borders (which is impossible by definition) but because for a long time the enterprising Balts have been energetically integrating into their economy everything in which the "disputed" and other Russian territories are rich or not rich.

Put more simply, they cart off everything that is not nailed down. This is done with the aid and active assistance of Russian citizens. Although not all. But representatives of the Russian Ministry of Security, the border troops leadership, and the chiefs of Pskov and Leningrad oblast administrations reported at an on-the-spot news conference that the former chief of Pskov Oblast administration, militia and customs staffers, and individual local inhabitants have helped their neighbors as far as they have been able. Preference has been given (and is being given) to oil products and ferrous and rare-earth metals. The count is in hundreds of tonnes. The real loss to Russia has not been measured by anyone. Following a year of plundering, Vladimir Tumanov, the new chief of Pskov Oblast administration, and other sober-minded people demanded that the Russian parliament and government establish a border. Following the example of the Balts themselves.

So, in early July the border guards of the former Baltic Border District, together with the customs service and the militia, blocked the main roads from Russia to the Baltic. Pskov Oblast established rates of payment similar to the Estonian rates for entry into Russian territory by Estonian citizens: $10 per head and $15 from a group for a single visit. According to data of the border troops press service, during this time over 110 weapons, two kg of narcotics, over 200 tonnes of metals, 110 tonnes of construction materials, and so on were seized.

The provision of facilities for a border requires resources, and considerable ones at that. First of all for the day-to-day life of the border guards who are, to put it mildly, currently accommodated in unsuitable places and sometimes out in the open. So far 6.8 billion rubles have been allocated, but no comforts have accrued from this. And the prospect is that, if a real state border is established, it will be equipped on site. In the opinion of specialists, this cost approximately 1 million rubles per km in 1985 prices. The border with the Baltic countries is 985.5 km long...

## Yeltsin Hands Over Documents on U.S. POW's

*LD2309200592 Moscow ITAR-TASS World Service in Russian 1437 GMT 23 Sep 92*

[By ITAR-TASS corrrespondent Gennadiy Talalayev]

[Text] Moscow, 23 September—Russian President Boris Yeltsin today received Malcolm Toon, co-chairman of the joint Russian-U.S. commission on the affairs of servicemen and missing persons.

Boris Yeltsin handed him several documents, in particular on the fate of two Americans, Oggens and Clifford. Dmitriy Volkogonov, co-chairman of this commission on the Russian side, who took part in the meeting, noted that the fate of these Americans was tragic. For example, Oggens, charged with spying in 1939, spent eight years in Stalin's camps and should have been released. However, Abakumov, the then minister of state security wrote a note to Stalin, a copy of which was given to Malcolm Toon, in which he wrote that "this person ought to be eliminated and documents processed to the effect that he has died and the U.S. Embassy and his family informed of this." Oggens was not a spy and has been officially rehabilitated as there was no proof whatsoever of the charge. He was simply a victim of Stalin's regime. According to Dmitriy Volkogonov, Oggens' grave has been found in Penza, at a Jewish cemetery.

As for Clifford, he also spent eight years in a camp. Following a petition by the U.S. Embassy in Moscow, he was to have been released but he mysteriously "died as a result of an illness."

According to Dmitriy Volkogonov, this was the fate not only of Oggens, but of Clifford as well, and, possibly of the Swedish diplomat Raul Wallenberg. They were afraid to free these people, said the Russian co-chairman, because in the West they could tell a lot about the regimes in the camps, about the Stalin system. And this regime took brutal measures, killing them.

Touching on the fate of U.S. servicemen who fought in Vietnam, Dmitriy Volkogonov said that several groups of Americans who refused to take part in that war crossed, with the aid of the KGB, the USSR in transit to Sweden, Finland, and other countries. Not one of them settled in the Soviet Union.

Dmitriy Volkogonov also announced that 49 American citizens formerly in Poland had found themselves on Soviet territory as a result of the border changes in 1939. They were summoned to the state security bodies to be forced to renounce their American citizenship. Those who would not agree were immediately sent to concentration camps. Most of them perished. Five of them are now living on the territory of Russia, the Ukraine, Belarus, and Lithuania. They do not wish to go to the United States because of their advanced years.

In the course of the meeting, Malcolm Toon expressed satisfaction with the work of the commission as a whole, but noted that he had been hoping for greater results in ascertaining the fate of American citizens who had disappeared on the territory of the former Soviet Union.

Boris Yeltsin stressed that he had made great efforts and would continue to do so to ensure that not a single American should be left whose fate is unexplained. The president has given orders for special instructions to be drafted to the appropriate Russian departments to give more assistance in the search for Americans who disappeared on the territory of the USSR. At the end of October, Boris Yeltsin will make a statement on the results of the work of the joint commission.

## No Korean War POW's Brought to USSR

*LD2309231592 Moscow Radio Rossii Network in Russian 1800 GMT 23 Sep 92*

[Text] While the debates were continuing in the Russian White House, a meeting took place in the Kremlin between Boris Yeltsin and Malcolm Toon, special envoy and co-chairman of the joint Russian-U.S. commission on POW's and missing persons. Here is our special correspondent Andrey Zenkov with the details:

[Zenkov] At the present time, according to the commission's data, five American citizens are living on the territory of the former Soviet Union who were repressed in 1939. Although one can only conditionally call them Americans, these five are the last of 49 people who found themselves on Soviet territory as a result of the post-war division of Poland. Under pressure from the KGB they were forced to take Soviet citizenship, and in spite of that spent 10-15 years in camps. Today, aged over 70, they no longer have the strength to return to their historical motherland.

The matter is more complicated with regard to 23,000 American POW's who were, according to American data, transferred from German to Russian captivity in 1945. At the meeting the American side was handed two cases which are, according to Dmitriy Volkogonov, chairman of the Russian-U.S. commission, an example of 99 percent of such cases. Having unlawfully served a prison sentence in a camp for eight years, these people, on the advice of Abakumov, Stalin's state security minister, were annihilated as undesirable witnesses of the lawlessness of the camps a few days before they were officially due to be released.

The U.S. side evidently held out some optimism regarding POW's from the period of the Korean war. But here as well, to judge from Volkogonov's comments, the situation is not very promising.

[Begin Volkogonov recording] It was a cruel war. True, the Korean war has not yet been talked about. I think that many materials will be published in the near future. It was also a terrible war with hundreds of thousands of victims. Altogether just over 4,000—I'm rounding off the figure—American servicemen were held in five camps in China and in some camps in Korea.

We have found documents that we have handed over to the American side to the effect that in some cases the Soviet side took part in interrogating American pilots. We will hand over to the American side 54 such cases. We have already spoken about them and told them that the documents will be handed over. But there has not been a single case in our country, I stress that as yet there has not been a single case when any of the American pilots or citizens or servicemen who were fighting in Korea were brought to the Soviet Union.

Tomorrow Ambassador Toon is flying by special aircraft to Khabarovsk where assistance will be rendered to him; where he will appeal to the population—he will make an appeal to people on radio and television asking for anyone who knows anything to come forward, because there is a suspicion that Khabarovsk may have been a transit point and that there might have been something there, or individuals might have been there. But at the moment we have absolutely no information available to us. [end recording]

It is possible that the lack of information caused Toon to express regret to Boris Yeltsin about the negligible results of the commission's work, but that is more likely to have been caused by disappointment, since the efforts of our departments received a positive appraisal at the meeting for all that.

### Yeltsin Confers With U.S. Ambassador Strauss

*PM2309153992 Moscow ROSSIYSKAYA GAZETA in Russian 23 Sep 92 First Edition p 1*

[Unattributed report under the rubric "Yesterday, Today, Tomorrow. Our Correspondents and News Agencies Report": "Boris Yeltsin Receives U.S. Ambassador"]

[Text] Russian Federation President Boris Yeltsin has received U.S. Ambassador to Russia Robert Strauss in the Kremlin.

The ambassador briefed Boris Yeltsin on the progress of the U.S. election campaign. He expressed his confidence that, whatever the outcome of the election, the U.S. Administration will continue the policy of giving the utmost support to the reforms in Russia and expanding friendly and partnership ties. The question of Russian-Japanese relations was broached during the conversation. Robert Strauss informed the Russian president that the U.S. Administration, having analyzed the situation that led to the postponement of Boris Yeltsin's visit to Japan, viewed the reasons for putting off the visit with understanding.

### Yeltsin, Mitterrand View Debt, European Issues

*LD2409094092 Moscow Radio Rossii Network in Russian 0700 GMT 24 Sep 92*

[Text] Late last night, Russian President Boris Yeltsin had a telephone conversation with French President Francois Mitterrand. Presidential press secretary Vyacheslav Kostikov said they both expressed satisfaction with the level of mutual political contacts. There was discussion of the situation in the world's hot spots. The presidents stressed the harmonized and coordinated nature of the actions of France and Russia regarding settlement of the conflict in Yugoslavia.

Francois Mitterrand informed Boris Yeltsin of the results of the referendum held in France on the Maastricht agreement, and both sides voiced their satisfaction at the dynamics of the European integration process.

President Mitterrand confirmed the firm intention of France to support Russia's request to the Paris Club for the deferment of Russia's foreign debt.

### Non-Government Commission Returns From Taiwan

*LD2409031292 Moscow ITAR-TASS in English 2016 GMT 23 Sep 92*

[By ITAR-TASS correspondent Andrey Varlamov]

[Text] Tokyo September 23 TASS—Taiwan understands that difficulties facing Russia are temporary and believes Russia has a great future, Oleg Lobov, head of the commission for economic and cultural cooperation between Moscow and Taipei, said on Wednesday [23 September] upon his return from Taiwan.

Commenting on the results of the first visit to Taiwan of the Russian non-governmental commission, Lobov said Moscow and Taipei have huge potential for fruitful cooperation. They have already started working on joint projects.

During the visit, the commission signed agreements on the development of tourism and on cooperation in aviation.

"We saw the interest in cooperation with our metallurgic enterprises and aerospace complex. Taiwan is ready for joint activities in fishing and fish processing, and investments in the wood and wood-processing industry," Lobov said.

Speaking on prospects for establishing political ties between Russia and Taiwan, Lobov said "Russia recognizes single China—the Chinese Republic of China [as received]. This is emphasised in the presidential decree of September 15 'On Relations Between the Russian Federation and Taiwan'."

However, Taiwan exists and the commission agreed to stick to economic and cultural cooperation, Lobov said, adding that "both sides stressed that our relations with Taiwan should not damage our good-neighbourly relations with China." "We are for normal economic cooperation," Lobov said.

## PRC Official Reacts To Yeltsin Decree on Taiwan

*LD2409032892 Moscow ITAR-TASS World Service in Russian 0216 GMT 24 Sep 92*

[By ITAR-TASS correspondent Grigoriy Arslanov]

[Text] Beijing, 24 Sep—Beijing has noted the fact that President Yeltsin recently published a decree on Taiwan and has established Russia's position on the Taiwan question.

We hope that the Russian side will scrupulously observe its promises to avoid unpleasantness for both sides, a high-ranking representative of the PRC Foreign Affairs Ministry said, requesting anonymity during an exclusive conversation at the Diaoyutai State Guest House.

He particularly stressed the impermissibility of setting up any mission fulfilling diplomatic functions, including consular functions, in Moscow and Taiwan.

"Our position is known. We are resolutely against the establishment of official relations between Taiwan and countries maintaining diplomatic relations with the PRC. There is one China. Taiwan is a Chinese province. The PRC Government is the only government of China, and it represents all of China. The Taiwan question is very sensitive for China. It touches the sensibilities of China's population of over 1 billion," the Chinese diplomat said.

At the same time, the Foreign Affairs Ministry representative noted that China is not against countries with diplomatic relations with the PRC having cultural, trade, and other nongovernmental contacts with Taiwan.

The Chinese representative noted that an exchange of opinions regularly takes place between the diplomatic departments of China and the Russian Federation on various international questions of interest to both sides and that there exists a permanently operating consultation mechanism at the level of deputy foreign minister. The heads of foreign policy departments meet frequently.

## More on Kozyrev's UN Talks With Foreign Officials

### Meets With Japan's Watanabe

*LD2409012892 Moscow ITAR-TASS World Service in Russian 2355 GMT 23 Sep 92*

[By ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations, 24 Sep—Russian Federation Foreign Minister A.V. Kozyrev met Japanese Foreign Minister Michio Watanabe on 23 September at UN headquarters. After the meeting A.V. Kozyrev gave an interview to an ITAR-TASS correspondent in which he said: The meeting with the Japanese foreign minister was, I would say, friendly, since we have more than one such meeting behind us. Beforehand I spoke with Boris Nikolayevich Yeltsin on the telephone and we firmly agreed that constructive, normal, substantive work should go on. This was our approach. The president's approach, it seems to me, was consonant with that which our Japanese colleagues arrived with. Therefore, we talked about specifics, A.V. Kozyrev noted.

A preliminary schedule of specific work has been planned, bearing in mind that the final result is the preparation of the visit by the Russian president to Japan. The schedule includes an exchange of visits by foreign ministers, their deputies, and specialists.

It was agreed again that attention will focus only on state policy and official statements by foreign ministers or heads of state. Anything else is private opinion which does not reflect the leadership's stance.

The impermissibility of polemics at an interstate level was again acknowledged, since our mission is not to use the fact that the visit was postponed—not canceled, but postponed—to stir up tension in bilateral relations. Our common interest, the foreign minister stressed in conclusion, consists of continuing purposeful work to strengthen, evolve, and radically improve relations between Japan and Russia.

### Talks With Indian Minister

*LD2309210192 Moscow ITAR-TASS World Service in Russian 1834 GMT 23 Sep 92*

[Text] United Nations, September 23 (ITAR-TASS)—A.V. Kozyrev met Indian State Minister for External Affairs Faleiro on 23 September.

The ministers analyzed key aspects of Russo-Indian relations, with special attention to preparations for the official visit to India by Russian Federation President B.N. Yeltsin scheduled for early 1993. A Russo-Indian treaty of friendship and cooperation is expected to be signed during the visit.

The inter-governmental commission on trade, economic, science and technology cooperation is due to hold its first sitting in November. Having discussed the state of affairs in Afghanistan, A.V. Kozyrev and E. Faleiro voiced their shared concern at the development of the situation in the region.

### Meets French Foreign Minister

*LD2409051592 Moscow ITAR-TASS World Service in Russian 0506 GMT 24 Sep 92*

[Text] United Nations, 24 Sep (ITAR-TASS)—Russian Federation Foreign Minister A.V. Kozyrev and French Foreign Minister R. Dumas discussed approaches to the Yugoslav crisis, the situation in the conflict zones on the territory of the CIS, and other international problems in New York on 23 September. They also discussed prospects for deepening bilateral cooperation between Russia and France in the context of the interstate treaty which was signed at the summit level.

### Discusses Abkhazia With Shevardnadze

*LD2409052292 Moscow ITAR-TASS World Service in Russian 0511 GMT 24 Sep 92*

[Text] United Nations, 24 Sep (ITAR-TASS)—Russian Federation Foreign Minister A.V. Kozyrev met Georgian State Council Chairman E.A. Shevardnadze in New York on 23 September. They discussed the situation in the Abkhazia region and progress in fulfilling the Moscow accords. A.V. Kozyrev and E.A. Shevardnadze expressed their concern at the turn of events in the region and noted the need to give some specific content to the efforts of the monitoring commission set up by ndecision of the Moscow summit.

### UN Team Votes for Adopting FRY Resolution

*LD2309133192 Moscow ITAR-TASS in English 1314 GMT 23 Sep 92*

[Text] United Nations September 23 TASS—The Russian delegation has voted for the adoption of the U.N. General Assembly's resolution on Yugoslavia. Representatives of the Russian delegation did not join the discussion on the issue at a plenary meeting.

Russian Foreign Minister Andrey Kozyrev has previously told correspondents Russia supports plans and ideas of Yugoslav Prime Minister Milan Panic on ways to bring peace to the war-torn region and expects these proposals to be put forward officially.

Kozyrev believes the proposals will be an important signal for peace.

Mainly developing nations and China abstained during the voting on the resolution.

### Ministry Urges Peaceful Karabakh Solution

*OW2309195792 Moscow INTERFAX in English 1605 GMT 23 Sep 92*

[Report by diplomatic correspondents Andrey Borodin, Vitaliy Dzhibutiy, and Vyacheslav Terekhov; from "Diplomatic Panorama"—following item transmitted via KYODO]

[Text] Russia's chief peace negotiator for Nagorno-Karabakh, Vladimir Kazimirov, has described an end to the fighting there as an absolute priority in resolving the regional conflict. He said that all other issues could be delayed until later. In an interview with DP [Diplomatic Panorama], he commented on the latest ceasefire agreement that the Azeri and Armenian defence ministers signed in the Russian resort city of Sochi on the Black Sea coast.

Under the agreement made public on Wednesday, the two sides are expected to cease fire from midnight on Friday [25 September], and declare a two-month moratorium on military operations along their common border and in Nagorno-Karabakh.

Kazimirov who is Russia's special envoy believes that the defence ministers have made an earnest attempt to break the vicious circle in which any cease-fire is subject to the presence of international observers but CSCE and UN requirements stipulate a permanent ceasefire as a condition for sending international observers.

The diplomat said the Russian foreign ministry had been working hard to try to resolve the long-running conflict. The two sides have this time received coherent proposals both along diplomatic and military channels. As the Russian president's envoy, Kazimirov held talks in Baku last Thursday.

The Russian diplomat spoke of work now being in progress to try to produce concrete mechanisms for disengaging the warring sides and sending peace monitors or if need be, a peacekeeping force to the region. However, he said that in a drawn-out conflict such as the enclave's, a so-called third force did invariably emerge which cannot live without war.

Kazimirov also said that prior to the signing ceremony, the warring sides had said their military commanders had managed to establish control over all armed units in combat areas.

### Officers Threaten Legal Action Over Baltics

*MK2309125592 Moscow NEZAVISIMAYA GAZETA in Russian 23 Sep 92 p 2*

[Report by T. Zh. under "Facts, Events, People" rubric: "Officers of 15th Army Intend To Appeal to Constitutional Court"]

[Text] The Russian Federation Armed Forces General Staff has issued to units of the 15th Air Army and other units of the Northwestern Group of Forces a directive on the immediate withdrawal of Russian troops from the territory of the Baltic states.

Despite repeated statements by the Russian Federation president and Defense Minister Army General Grachev on the impermissibility of withdrawing the troops without resolving the servicemen's social questions, the troops are being withdrawn into completely unprepared areas which have absolutely no accommodations for the families of the officers and warrant officers.

In this connection, the servicemen of the 15th Army have adopted an appeal to the Russian Federation Supreme Soviet and all Russian citizens, which notably states: "In the event of a hasty and unprepared withdrawal... we will be forced to take legal action through the Russian Federation Supreme and Constitutional Courts against Army General Grachev, who adopted the relocation decision.... We will only begin the withdrawal when there is a legal basis for doing so, when our social problems have been resolved, when treaties have been concluded with the Baltic states, and when the legal status of Russian citizens resident in the Baltic region has been determined."

## Official Views Troop Withdrawal From Baltics

*LD2409043092 Moscow ITAR-TASS in English 1832 GMT 23 Sep 92*

[By ITAR-TASS correspondent Andrey Naryshkin]

[Text] Moscow September 23 TASS—The withdrawal of the North-Western Group of Forces from the Baltic states shall and will have "a planned, civilized character", believes Deputy Russian Defence Minister Colonel-General Boris Gromov.

The Russian-Lithuanian protocol, envisaging the termination of re-location of Russian troops by the mid-1993, is not a "synonym of our readiness to run away". This is the only possible and acceptable compromise under current conditions, although the Lithuanian side has done nothing to enable Russia accept its conditions with satisfaction", he told ITAR-TASS today.

Commenting on the progress of the Russian-Lithuanian negotiations on military issues, Gromov noted the Defence Ministry on the basis of the Russian president's instruction and the actual situation in the region, has elaborated part of the documents on troops withdrawal from Lithuania, including the draft full-scale interstate agreement.

A supplement to this document, that has not been signed at the summit level, is a schedule of the Russian troops withdrawal. It was criticized at the Russian Supreme Soviet Committee on Defence and Security Issues. The Russian law-makers believe the Defence Ministry is already fulfilling the schedule, although the major agreement has not entered into force.

"I think the deputies should correctly estimate the situation around the Russian troops in the Baltics, including Lithuania," stressed the general.

"The matter is no new soldiers are recruited in the North- Western Group of Forces: Under the laws adopted by the Baltic states, the dispatch of any Russian military contingents, including those to replace dismissed servicemen, is prohibited.

"The natural consequence of this is the constant reduction of the Russian troops' strength on Baltic territory. After soldiers and sergeants are dismissed in fall, 1992, and spring, 1993, only officers and warrant officers will remain there.

"It is no secret they are on the verge of despair under the influence of the situation the Baltic authorities created around the Russian-speaking population, primarily, Russian servicemen.

"Bearing in mind these circumstances, it is hardly wise to insist on the delay of Russian troops withdrawal from Lithuania. At the same time, the Russian Defence Ministry and the government are doing their best that the Lithuanian side makes all compensations, primarily on the construction of housing for Russian servicemen, fully and in time, the general said.

## Russia Said Failing on Black Sea Fleet Accords

*MK2309114692 Moscow NEZAVISIMAYA GAZETA in Russian 23 Sep 92 pp 1,3*

[Vladimir Skachko report under "Negotiations" rubric: "Black Sea Fleet: Co-Owners Accuse One Another. Latest Round of Russian-Ukrainian Talks Starts in Kiev Today"]

[Text] The talks on the Black Sea Fleet scheduled for 21 September in Kiev did not take place, but interest in them is being fueled by an intensive altercation on paper between, on the one hand, Admiral Igor Kasatonov, commander of the Black Sea Fleet, who is periodically making statements about Ukraine's violation of the 3 August 1992 Yalta agreements and all other agreements on the Black Sea Fleet (the main violation, according to the admiral, is that Ukraine is transferring the fleet's ships and units, and Sevastopol's naval colleges to Ukrainian jurisdiction without agreeing this with Russia or the Black Sea Fleet command. In his statement he warns that he will take every measure to safeguard the Yalta agreements.) On the other hand, the Ukrainian leadership is totally rejecting this kind of claim and is announcing that it is prepared to resolve the problem as quickly as possible. Apropos of the meeting between leaders of the Ukrainian and Russian delegations in Moscow 9 September of this year, the parliamentary newspaper GOLOS UKRAINY reported 11 September in an unattributed report that six draft documents have already been prepared: On the Principles and Mechanism of Dividing the Black Sea Fleet Between Ukraine and Russia; On the Status, Aims, and Tasks of the Transitional Period; On Staffing the Fleet With Draftees From Both Countries for This Transitional Period; On the Common Use of the Existing Basing and Material and Technical Supply System; On the Oath-Taking Procedure for Draftees in the Black Sea Fleet; and On Ensuring the Civil, Political, and Economic Rights of Black Sea Fleet Personnel and Individuals Transferred to the Reserve, and Members of Their Families. A seventh document—on naval insignia in the Black Sea Fleet—was already prepared and agreed 30 August, according to the report, and has even been signed by the two presidents.

As the Supreme Soviet press center told your NEZAVISIMAYA GAZETA correspondent, a joint report on this agreement and indeed on all the results of the Moscow meeting should have been published before the CIS and third countries learned about it, but the text of the joint statement was not made available, and so Ukraine issued a unilateral announcement. Various Ukrainian bodies are also accusing the Russian side of deliberately hindering the coordination and signing of the essential documents.

Kiev has also attributed the cancellation of the 21 September talks to Russia's not being prepared to hold a specific discussion. As the Ukrainian Defense Ministry stated, the next meeting between the two delegations will start today. This information was also confirmed by Boris Tarasyuk, Ukrainian deputy foreign minister.

Meanwhile the political passions around the Black Sea Fleet are not receding. In Sevastopol the gradual Ukrainianization of the fleet's infrastructure is continuing. As the Ukrainian Defense Ministry press service stated yesterday, 50 officers and warrant officers (95 percent of the teaching staff) of Sevastopol's Nakhimov Higher Naval College have sworn an oath of allegiance to Ukraine. At Sevastopol's Naval Engineering College, according to Defense Ministry press service figures, over two-thirds of officers and warrant officers have sworn an oath of allegiance to Ukraine, and 200 students are also prepared to do so.

The hard-line opposition has not missed the opportunity to express its view of this problem. The Ukrainian Narodnyy Rukh has circulated a special appeal to Ukrainian people's deputies which says that the situation concerning the Black Sea Fleet requires their undivided attention inasmuch as nothing is changing in the fleet, and its commander, Igor Kasatonov, is continuing to obey the orders of CIS Navy Commander Vladimir Chernavin, is forcing draftees to take the Commonwealth oath, is disrespectful toward those who have sworn allegiance to Ukraine, and is releasing them from service. Rukh is notably citing the following facts: Valuable fleet property (identification equipment, SET-72 torpedoes, artillery equipment, and KA-27 and MI-14 PS helicopters) is being taken to Russia, and foreign ships entering Ukraine's territorial waters are not raising its state flag. On this basis, Rukh has come to the conclusion that, against the backdrop of Russia's disdain for agreements it has signed itself, the continued passiveness of the Ukrainian leadership is jeopardizing Ukrainian territorial integrity and the security of its borders, leaving servicemen and the republic's citizens to the mercy of fate, and destabilizing the situation in general. Deputies are being asked to adopt a decision to protect Ukraine's national interests.

## Macedonian Official Comments on Relations

*OW2309202192 Moscow INTERFAX in English 1606 GMT 23 Sep 92*

[Report on "exclusive" interview with Macedonian Deputy Foreign Minister Ljubco Arsovski by Vyacheslav Terekhov; place and date not given; from the "Diplomatic Panorama" feature—following item transmitted via KYODO]

[Text] DP is publishing an exclusive interview given by Macedonia's Deputy Foreign Minister Ljubco Arsovski to its correspondent Vyacheslav Terekhov.

Long-standing ties of friendship and cooperation link Russia and Macedonia. Fortunately, bilateral cooperation continues, even though our two countries ceased to belong to federal states and became fully independent. The importance of this cooperation for Macedonia is evidenced by the fact that most of our industries have maintained their ties largely with Russian facilities. In the past few months our executives signed a number of important agreements with Russian officials. Several thousand workers will be sent to Russia before the year ends to join its building industry, said Macedonia's Deputy Foreign Minister.

The process of negotiations between our two countries is going on, he went on to say. In October a delegation of Macedonia's Foreign Ministry will come to Moscow to sign an agreement on establishing diplomatic relations. I hope that the heads of the two states will exchange visits, which will undoubtedly give a powerful impetus to the development of comprehensive cooperation, said L. Arsovski.

An economic delegation led by Macedonia's Prime Minister is to arrive in Moscow soon, the diplomat said. It will hold talks on extremely important and complex problems faced by independent Macedonia now. Our situation was very complicated by the adoption of the U.N. resolution that bans economic cooperation with Serbia. Besides, Macedonia has been subjected to an economic blockade by Greece. Oil supplies to our country have been cut. Virtually all industries in Macedonia might collapse as a result.

With reference to bilateral relations I would like to point out that the recognition of Macedonia's independence by Russia took place at a very complicated period of time and left a profound imprint in the hearts of the people of Macedonia. Your recognition showed that Macedonia's political development is on the right road, that our republic's independence is the only possible way for a peaceful development of events in the Balkans.

## German Chancellor Kohl To Pay Visit 15-16 Dec

*LD2309134192 Moscow ITAR-TASS in English 1259 GMT 23 Sep 92*

[Text] Moscow September 23 TASS—German Chancellor Helmut Kohl will visit Russia in mid-December. He is expected to arrive on an official visit at the invitation of Russian President Boris Yeltsin between December 15-16, 1992, according to the information and press department of the Russian Foreign Ministry.

## Burbulis Receives Turkish Ambassador to Russia

*LD2309211692 Moscow ITAR-TASS in English 1603 GMT 23 Sep 92*

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow September 23 TASS—State secretary under the Russian President Gennadiy Burbulis received

Turkish Ambassador Extraordinary and Plenipotentiary to Moscow Volkan Vural at the latter request at the Kremlin today.

Burbulis' press secretary Vyacheslav Nedoshivin told ITAR-TASS upon the meeting completion, the sides discussed aspects of the Russian-Turkish bilateral relations, economic partnership and trade and the long-term prospect for the Russian-Turkish cooperation.

The sides noted the recent intensity of mutual relations of the two countries under radical reforms has already brought positive effect expressed in the granting of credits, conclusion of agreements and contracts and deepening of the economic mutual assistance.

The meeting also dwelt on other issues of mutual interest.

## Helsinki Envoy on Treatment of Russians, Baltics

*PM2209160692 Helsinki HUFVUDSTADSBLADET in Swedish 19 Sep 92 p5*

[Report on interview with Russian Ambassador to Finland Yuriy Deryabin by Ann-Gerd Steinby in Mariehamn on 18 September]

[Excerpts] Mariehamn—"I have not accused the Finnish authorities of crimes against human rights as far as the treatment of Russian citizens is concerned. I have simply stated that injustices are taking place and subsequently my remarks were blown up and generalized," said Yuriy Deryabin, Russian ambassador in Helsinki for the last six months.

According to newspaper reports in both Finland and Russia, Deryabin has leveled tough criticism against the Finnish customs authorities when it comes to their treatment of Russian travelers. During a visit to Mariehamn yesterday Deryabin adopted a more conciliatory tone.

"It is my task as Russian ambassador to defend the interests of Russian citizens—individuals, groups, and even diplomats. According to the complaints, principally the customs authorities have exceeded certain limits, confiscated private property, even used force.

"I regret that the question has become so controversial," Deryabin said.

He takes the view that the problems must be cleared up now in consultations with the Finnish authorities. He said that he has therefore proposed to the Foreign Ministry that representatives of the customs authorities, the police, and so on together with representatives from Russia should look into each individual case. The complaints which the Embassy is receiving are sent on to the Foreign Ministry for scrutiny and after that there will be joint consideration of what can be done. [passage omitted]

Russia was one of the guarantors of Aland's demilitarized status when the first treaty was signed in the context of the Peace of Paris in 1856, when it was affirmed that Aland would be demilitarized and made neutral. This treaty was later accepted and signed by the Soviet Union.

Deryabin explained that the Moscow agreement of 1940 on Aland's demilitarized status is among the international agreements which Russia has taken over from the former Soviet Union. The other states in the commonwealth can if they wish enter into the agreement.

"We want Aland to retain its demilitarized status," Deryabin stressed. He views this as an important matter of principle.

He explained that while it is true that the Russian Embassy in Moscow and the consulate on Aland represent Russia, it is also possible for them to represent the other states in the commonwealth if these states so desire. Ukraine is the first of the republics planning to set up its own embassy in Helsinki, where it already has a charge d'affaires.

According to Deryabin, there is a possibility of new communications between Sweden and Finland and Russia. He considers sea communications in the Baltic to be important and believes that the Baltic Sea could become a new center for new economic and cultural developments where in the future environmental problems could also be tackled jointly.

The main problem is how Russia is to replace the Baltic ports. Deryabin spoke of plans for new ports near Vyborg and St. Petersburg and also mentioned Kotka as a center for sea traffic bound for Russia. The route to Europe is important to Russia.

Suspected submarine violations have been reported from Sweden in the last few days, but Deryabin does not think that Russian submarines are involved. He said straight out that it would be mad to continue with such operations if reports are true. Submarine surveillance in the Baltic is definitely not part of the Russian Defense Ministry's plans, Deryabin assured me. And in the present case he said that he is convinced that a Russian submarine is not involved.

He said that the political leadership in Russia has control over the defense forces, but that it nevertheless is impossible to give 100 percent guarantees against military surprises. Deryabin pointed out that the situation at present is a little tense now that Russian troops are being withdrawn from central Europe and the Baltic states. He added that Russia needs a new defense doctrine, partly because of the new situation in the Baltic region, and put forward the idea of a neutral status for the Baltic states.

On the subject of Russian nationalist Vladimir Zhirinovskiy, who suggested a while ago that Finland should

be reconquered, though he did retract his remarks later, Deryabin said that he should be neither overestimated nor underestimated.

"Zhirinovskiy is a sort of figurehead for ultranationalist discontent. He says what people want to hear. He accumulates the discontent which of course exists in many places, but he has no chance of becoming leader," Deryabin stressed.

He said that Russia is thankful for aid and help from outside. He has a feeling that the situation in Russia is slowly improving. For example, the harvest this year was better than expected. But help is still needed for the most vulnerable groups in the population—children and old people above all.

"But," he said, "we cannot continue living on the rest of the world's assistance for ever. We have to start looking after ourselves."

Deryabin has been a communist and he has, as he says, lived most of his 60 years in the Soviet Union. Now he is involved in building a new society.

"It is a new Russia I believe in. But it is not easy to learn to accept responsibility for yourself and make your own decisions," this veteran said in his excellent Swedish.

### Economic Commission With Finland Opens Meeting

*LD2309213192 Moscow ITAR-TASS in English 1651 GMT 23 Sep 92*

[By ITAR-TASS correspondent Aleksandr Surikov]

[Text] Helsinki September 23 TASS—The first meeting of co-chairmen of the Intergovernmental Russian-Finnish Commission on Economic Cooperation opened here today.

The commission was set up in accordance with the agreement on trade and economic cooperation signed by Russia and Finland in January and put into force in August, 1992.

The Russian side in the commission is presented by Russian Vice-Premier Georgiy Khizha and the Finnish by Minister of Trade and Industry Pekka Tuomisto.

The first meeting will focus on organizational issues, including the work procedure and composition of the commission.

The Russian-Finnish trade is in deep recession due to some objective and subjective reasons. Finland, which some time ago was the top Western Soviet partner, is now ranking sixth or seventh. Last year the drop of Finnish exports to Russia was catastrophic and amounted to 65 per cent.

The share of Russia and other CIS states has reduced to five per cent in the Finnish foreign trade, as compared to 26 per cent five years before.

Thus, ways to overcome the current trade crisis are expected to be a major item of the meeting agenda.

The sides will also consider a number of future large cooperation projects, including Finnish participation in the development and careful use of forest and power engineering resources of Russia and reconstruction of the Pechenganikel ore-beneficiating plant on the Kola Peninsula.

## Government Session Endorses Single Wage Scale

*LD2409115392 Moscow ITAR-TASS in English 1107 GMT 24 Sep 92*

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow September 24 TASS—The Russian Government, at its session in the Kremlin today chaired by Boris Yeltsin, has endorsed a single wage scale for employees of the budgetary sectors. After a week-long additional study, it will be recommended for introduction in regions that already have adequate preconditions for this.

Submitting the wage scale at the meeting of the government, Russian Minister of Labour Gennady Melikyan said the essence of the innovation is that "a single scale composed of 18 grades will be introduced to replace a multitude of schemes. The difference between the grades will be defined by relevant coefficients."

"The gap between the first and eighteenth grade is defined as 1:10," Melikyan said. The single scale envisages a rise in the wage rates from grade to grade. In conjunction with inflation, the quarterly increase in the rate of the lowest first grade will be matched with the proportional increase in the rest of the wage scales, Melikyan clarified. The first grade rate today equals 1,350 roubles.

Melikyan also said "this wage scale system is used rather widely abroad both as regards government employees and workers of major companies."

Melikyan said in Russia "the wage scale is designed only for employees of the budgetary sphere. It is not mandatory in production spheres but can be the basis for talks between trade unions and administration." Enterprises in the budgetary sphere can fix additions and other extra payments to their workers.

Melikyan said the single wage scale will cover about 15 million Russians. However, its rapid introduction will require 38 to 40 billion roubles.

During the discussion, Yeltsin called for raising wage scales for workers. "It is inadmissible to limit the worker's wage to 4,000 roubles today, whereas the averge wage in the country is 6,000 roubles," he said, giving an intruction to revise the scale for this category.

Yeltsin was against the possibility of extending to regions the right to set for themselves the size of the minimum wage that corresponds to the first grade of the scale. In his view, "this will trigger a huge migration into Russia and reduce the number of teachers and physicians in some, especially rural areas."

## Group Works on New Cabinet Structure

*LD2409125492 Moscow ITAR-TASS in English 1206 GMT 24 Sep 92*

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow September 24 TASS—The governmental commission headed by First Deputy Prime Minister Vladimir Shumeyko is elaborating the new structure of the Russian Government, acting Prime Minister Yegor Gaydar said at the government meeting today.

Gaydar told the ITAR-TASS correspondent who approached him for clarifications after the meeting that this work has been conducted for a long time now, at least for 45 days. "At point is streamlining the government structure. We formed the present government structure in the wild haste, against a backdrop of the collapse and the dismantling of union structures. At that time, we formed a far from optimum governing structure. Time has come today to update it, define functions and spheres of competence and streamine the hierarchy of bodies," Gaydar added.

He emphasised that "any dramatic large-scale decisions changing structures significantly are not planned."

## Civic Union Leaders Hold News Conference

### Air Views on Economic Issues

*LD2309174892 Moscow ITAR-TASS World Service in Russian 1536 GMT 23 Sep 92*

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow, 23 September—The Civic Union bloc of political parties and parliamentary factions does not set itself the aim of overthrowing a legally elected authority and overthrowing the government of president; it holds a centrist position and its motto is "Liberal reforms, strong authority." Journalists were told this today by Russia's Vice President Aleksandr Rutskoy, leader of the Free Russia People's Party [FRPP]. At a news conference given by the Civic Union leaders, the anti-crisis economic program drawn up by Civic Union experts was discussed. Its preparation will be completed a week from now.

The Civic Union has not been set up to constitute an opposition to the president and the government but in order to "propose reasonable actions and actively participate in the reforms," the vice president explained.

The Civic Union bloc, which was set up in the summer, is made up of the FRPP, the Democratic Party of Russia, the All-Russian "Renewal" group, and a number of parliamentary factions and youth organizations. The Civic Union announced its "constructive opposition" to the government, and many described the economic program being prepared by it as an alternative to that of the government. At today's news conference the Civic Union course was defined somewhat more accurately.

"I earnestly request you not to describe our program as an alternative. I do not regard the government's program as bad, but the mechanism of its realization is bad," journalists were told by Arkadiy Volskiy, president of the

Russian Union of Industrialists and Entrepreneurs, who represents the "Renewal" Union. According to Rutskoy, Acting Head of Government Yegor Gaydar agrees "to actively cooperate" with the Civic Union in carrying through the reforms, and "confrontation will not produce anything." The vice president described him as a "first-class economist." "There is something, however, which does not permit him to fully realize the reforms: He should have alongside him people who will be able to understand him." "There are people who could become members of the government," the vice president added.

Speaking of the differences between the Civic Union program and the government program, Arkadiy Volskiy described as the first mistakes of the "Gaydar team" the removal of the majority of well-known Russian market economists and also its insufficient study of the experience of reform in China, where the state sector has been preserved and the private sector has developed in parallel. Therefore we are advocating a regulated transition to the market, he added. Finally, Arkadiy Volskiy described as the third mistake of the government the fact that it has only devoted attention to the macro-economy, and has disregarded the micro-economy.

Iosif Diskin, one of the drafters of the Civic Union economic program, stated that its first stage envisages "the adoption of a strict economic defense" to protect vitally important sectors of the economy from the slump. "The first task of our program is to move away from the brink of the economic abyss," he added. Afterwards it will be possible to go over to stimulating production, using, in particular, the huge export potential and stimulating an increase in consumption. "We are in favor of the country relying on available resources and cadre potential," he stressed.

After formulation has been completed, the Civic Union economic program will be submitted to the president and presented for examination by the Supreme Soviet, the participants in the news conference reported.

### Gaydar Agrees to Cooperate With Union

*MK2409092992 Moscow NEZAVISIMAYA GAZETA in Russian 24 Sep 92 p 2*

[Natalya Gorodetskaya and Yelena Tregubova reports under "Status Quo Ante" rubric: "There Are Parties That Will Lead Russia Away From the Brink of an Economic Precipice"]

[Text] [Gorodetskaya] So stated, imitating his namesake, Vladimir Ilich Novikov, chairman of the parliamentary faction of nonparty deputies. He did this at a news conference given by the "Civil Union," which the faction—attracted by its anticrisis program—has only just joined. Admittedly, in Novikov's words, "they have not yet seen any programs, but they feel with all their heart that this is just what is needed."

It must be said that all the others, too, will be able to see this document only in a couple of weeks or so because, in the words of "Free Russia" People's Party Chairman Aleksandr Rutskoy, "the industrial, agro-industrial, and land programs are now ready, but youth policy and financial reform are still being formulated."

The chief element in the program, it was explained to journalists by Iosif Diskin, member of the board of the "Renewal" union, is "to occupy a rigid defense in the economy, and to determine the sectors that will ensure the people's survival in any circumstances and become centers of growth. For example, the military-industrial complex must live." What is needed for this is a government "prepared to answer for the people's existence this winter"—only a strong and responsible power will be able to implement liberal reforms.

"The 'Civil Union' program is in no way an alternative to the government program," it was emphasized by Arkadiy Volskiy, leader of the Union of Industrialists and Entrepreneurs of Russia. But, in his opinion, a reform that is disadvantageous to enterprise directors and industrialists will not work." [quotation marks as published] Therefore "Civil Union" intends to correct the government's mistakes: In place of the "closed enterprise with limited liability" into which the cabinet of ministers has been transformed after dismissing all the economists, there will be a coalition government "of diverse viewpoints." Volskiy believes that the government "has insufficiently studied the experience of reform in China, where nothing was destroyed and the state sector remained." The program offers a "regulated and gradual transition to the market." "Civil Union" intends to engage not "only in macroeconomics, like Yegor Gaydar's government," but also "in microeconomics."

Asked whether the program assumes a change of personnel, Volskiy assured journalists that "compromise is possible in cadre policy."

With his characteristic bluntness Rutskoy, however, declared that "the people who can replace certain members of the government already exist," although admittedly "the time has not yet come to name names." Indeed, in his opinion even Yegor Timurovich has proved to be not "so bad," which Rutskoy discovered at his recent meeting with representatives of agro-industrial complex trade unions, which Gaydar attended. And generally speaking, Yegor Gaydar has "agreed to cooperate actively with the 'Civil Union'."

"'Civil Union,' always distinguished by its law-abiding nature," as Iosif Diskin said, will submit its prepared program to President Boris Yeltsin and to the Cabinet of Ministers and Supreme Soviet of Russia.

[Tregubova] The news summary for today transmitted by TASS contained two separate reports: on a "Democratic Center" news conference and on the "Civil Union" news conference. The coincidence in both the time and place of these news conferences so confused journalists that they decided: The leaders of "Civil Union" are now calling themselves the democratic

center. The muddle regarding the names was completely cleared up during the briefing, but Arkadiy Volskiy, speaking of the relative peaceableness reigning in the Supreme Soviet on the first two days of the session's work, stated: "This is a victory for the democratic forces—and 'Civil Union' above all."

### Rutskoy Asks Unions To Stop Criticizing Government

*OW2309142192 Moscow INTERFAX in English 1259 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] Speaking today to trade union leaders from the agroindustrial complex at a meeting held on the Moskovskiy state farm, Russian Vice-President Aleksandr Rutskoy tried to persuade them not to organize a strike, which "could lead to an even more serious crisis in agriculture." "Constructive attempts to solve problems by making use of the farms' own resources" are, according to Rutskoy, the only possible way to overcome the present grave situation. In particular, he stressed the necessity to reduce the losses of agricultural produce which today amount to 46-58%, and to create a network of agricultural banks. "An economy should be managed by a fiscal system, by banks, not by any councils, trade unions, or administrations," he said.

Rutskoy insisted that trade unions give up their useless criticism of the government and be more active instead. At the same time, answering reporters' questions, he said the government "is able to carry out reforms but is unable to run the economy." He believes, however, that, with Russian mentality, transition from the administer-and-command system to market economics should be centrally controlled.

Rutskoy called on trade union committee leaders to "become the government's allies in the implementation of the agrarian reform" worked out by his staff.

### General Trade Union Confederation Meets

*LD2209230392 Moscow ITAR-TASS in English 1918 GMT 22 Sep 92*

[By ITAR-TASS correspondent]

[Text] Moscow September 23 TASS—Today's meeting of the General Confederation of Trade Unions' Executive Committee discussed topical aspects of the activities of CIS trade unions.

After discussing the report on negotiations with the working group of the CIS Council of State heads and the Council of Government heads, the meeting decided on cooperation between the confederation and the Commonwealth consultative bodies, primarily, in the elaboration of normative documents related to the protection of social and economic interests of the working people.

The discussion elaborated a single stand of confederation's organizations on the conclusion of collective treaties for 1993. The major demand of the trade unions, in the opinion of the executive committee, should be the adoption of all measures to prevent the disintegration of the economy and the production level drop.

A special attention will be given to the protection of the population's living standards.

### Yeltsin Signs Decree on Forming Trade Committee

*OW2409005492 Moscow INTERFAX in English 1913 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] To carry out state policies on the development of a consumer market under price liberalization and the transport of goods Russian President Boris Yeltsin has signed a decree to form the Russian Federation Committee on Trade on the basis of the abolished Committee on Trade under the Russian Ministry of Trade and Material Resources.

The document stresses that the new committee will function with the rights of a department of the Russian Federation. Ivan Gorbachev was named chairman of the committee.

### Chubays Gives Briefing on Privatization Program

*MK2409081192 Moscow NEZAVISIMAYA GAZETA in Russian 24 Sep 92 p 1*

[Ivan Zasurskiy report under "Reform" rubric: "Chubays in a Hurry, Along With His Committee. If Privatization Begins, Nobody Will Halt It"]

[Text] At yesterday's briefing at the premises of the State Committee for the Administration of State Property Chubays was in a hurry. As became clear from his speech, not only is he personally in a hurry—his entire committee is, too.

The national privatization program is not to the liking of the parliamentary factions "Communists of Russia," "Fatherland," and "Russian Unity," which are doing everything they can to halt it. The communists know that if the program, due to start 1 October, is implemented, then the essence of the communist state—total state ownership—will be lost.

Judging by Aleksandr Chubays's remarks concerning the proposals on "priority privatization" (depending on length of service, old savings, and the like), the chief element in the Russian national privatization program is speed, whereas if privatization is effected with consideration for personal merits, this will take up too much time and effort.

"Indeed, people in the regions have had three weeks to carry out a mini-census of the population. But never mind. We'll cope."

Privatization is getting under way and will last through 31 December ("No need to hurry to get in line at six o'clock in the morning"). Thirty-five million checks will be printed in September, 75 million in October, and the remaining 45-50 million by 20 November, according to how the distribution goes. By today 7 million checks had been printed.

Checks have already been shipped to Khabarovsk, Yakutsk, Magadan, and the Jewish Autonomous Okrug. Moscow will be getting its checks Saturday [26 September]. Sunday it's St. Petersburg's turn.

In the enterprises nobody is resisting privatization. But certain organs of management are endeavoring to exclude sectors and subsctors from the process. On the whole the people support the national privatization program.

Anatoliy Chubays voiced support for the local initiatives for buying up (not yet available) privatization checks. According to his information, the market is being worked on "from below," and the price dynamic illustrates the rise in the rate of the privatization ruble: People are already giving 10,500 for the checks, although the first proposals on purchases were geared to 4,000 rubles.

The deputy chairman of the government and chairman of the State Property Committee also declared that a "sensible approach" to the government's privatization program prevails within parliament. The government can make certain changes and amendments to the national privatization program if it receives constructive proposals from the parliamentarians. Among such proposals Chubays specifically includes land as part of the facilities subject to check privatization.

## Gaydar Speaks on Flight of Capital Abroad

*PM2409085992 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Sep 92 p 2*

[Unattributed report under the "Facts Alone" rubric: "Money"]

[Text] Yegor Gaydar described the flight of capital from the country as the most serious of the problems meriting the attention of the services responsible for Russia's national security.

The amount of hard currency belonging to Russia's enterprises and commercial structures that they prefer to leave in foreign bank accounts is extremely impressive, although it does not match the figure of $25-30 billion a year, Ye. Gaydar said. At the same time he frankly admitted that it is virtually impossible to bring this money back to Russia by any administrative methods today. The campaign, widely publicized in the past, to seek out Russian accounts with foreign banks has not borne any real fruit. The acting head of the government thinks that the only thing that can halt the exodus of currency from Russia is the stabilization of the national monetary system.

## President's Decree on Energy Prices Published

*PM2209120592 Moscow ROSSIYSKAYA GAZETA in Russian 19 Sep 92 First Edition pp 2, 6*

["Decree of the President of the Russian Federation on the State Regulation of Prices for Individual Kinds of Energy Resources" and appendices]

[Text] Attaching great significance to the stable operation of the fuel industry and the satisfaction of the national economy's needs for fuel and lubricants and for the purpose of enhancing the effectiveness of their utilization I decree:

1. That the size of payments into the Russian Ministry of Finances price regulation fund for deliveries of oil, including gas condensate, be established in accordance with Appendix No. 1.

2. The Russian Federation Government is to establish within one week differentiated rates of excise duty for oil, including gas condensate, in the light of the prevailing mining and geological conditions for their extraction, and a procedure for levying and using it.

3. With an enterprise price (without payments into the price regulation fund or excise duty) in excess of 4,000 rubles [R] per tonne of oil, including gas condensate, a maximum level of profitability of 50 percent of the prime cost of extraction is set.

That it be stipulated that until 1 January 1993 the amount of payments into the Russian Federation Ministry of Fuel and Energy's extrabudgetary investment fund should relate to the prime cost of output (work, services).

4. That it be stipulated that prices for oil, including gas condensate, are determined on terms of free on board tanker (ship), free of charge station of departure (port, harbor), and free of charge main reservoir and pumping station at point of delivery to and reception by the transport enterprise.

Value-added tax on extracted oil, including gas condensate, is levied on top of the price inclusive of payments to the price regulation fund and excise duty.

5. That a 30-percent surcharge be established on current wholesale prices for coal, shale, products of coal enrichment, and briquettes. The Russian Federation Ministry of Fuel and Energy is, in coordination with the Russian Federation Ministry of Finances, to differentiate these surcharges via the settlement prices for coal industry enterprises and associations.

6. Enterprises' prices for oil products are set by agreement with consumers and are applied in producers'

(suppliers') settlements with all supply and sales organizations engaged in the provision of oil products.

7. That a maximum level of profitability be established for the production of all kinds of oil products (including oil, lubricants, and other kinds of refined products) of 10-12 percent of the average prime cost for the enterprise. The Russian Federation Government is to submit within one week proposals for the procedure for differentiating the level of profitability for enterprises.

The Russian Federation Government must be granted the right to raise the maximum level of profitability for individual enterprises for the purpose of providing incentives for the intensive refining of oil.

8. That it be established that the sale of oil products through organizations which supply oil products is carried out at industry prices (on CIS station of consignee terms), including the sales tax on fuel and lubricants paid into the highways funds, supply and sales surcharges at rates in accord with Appendix 2 regardless of the number of intermediaries, plus value-added tax on the enterprise price. Commission fees for brokering services, transport, and other middleman expenses and value-added tax are taken account of in the supply and sales surcharge.

9. The sale of oil products on the domestic market to all consumers (including the population) by motor vehicle filling stations, trade enterprises and organizations, and other economic entities is carried out at industry prices for oil products with a trade markup of no more than 2 percent. Overheads, including transport and other costs borne by the seller, and value-added tax are taken account of in the trade markup.

10. That it be established that the supply to CIS countries of coal, oil, natural gas, and refined oil products is carried out at foreign trade prices on the terms envisaged by bilateral (multilateral) intergovernmental agreements, but not below the industry prices operating on Russian Federation territory.

Prices for energy resources supplied to CIS countries are set on terms of free of charge shipment [franko-otpravleniye] and prepayment.

If there are no agreements on the terms for supplying these energy resources, their sale is carried out at prices geared toward world prices. The Russian Federation Government is to establish the procedure for forming these prices.

11. That the maximum coefficients be established for the increase of prices and tariffs for the population for certain kinds of products and services in accordance with Appendix No. 3.

12. That as of 1 January 1993 the transition be implemented toward the application of free tariffs for the transportation of passengers and related work and services on domestic air lines within the territory of the Russian Federation.

The Russian Federation Government is to establish the maximum level of profitability in forming free tariffs for the transportation of passengers by air and related work and services and to introduce differentiated tariffs in accordance with the quality of the transport service and the standard of comfort provided.

The Russian Federation Government and the management organs of republics belonging to the Russian Federation, krays, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg are to draw up a system of concessions and benefits to enable disadvantaged strata of the population and the population of the Far North and equivalent localities to use air transport.

13. To retain for 1992 the level of existing tariffs for the transportation of passengers by rail on suburban services.

14. On raising prices for energy resources the Russian Federation Government is to establish a procedure for granting subsidies—via the housing and municipal services and transport services—for the production of basic kinds of agricultural produce and for financial support in selling petrol and liquefied gas for the vehicles of individual categories of invalids.

15. The Russian Federation Government is to bring its decisions into line with this decree.

16. This decree comes into force as of 18 September 1992.

[Signed] President of the Russian Federation Boris Yeltsin

The Kremlin, Moscow

17 September 1992

Decree No. 1089

[Appendix No. 1] Size of payments into the Russian Federation Ministry of Finances price regulation fund on the supply of oil, including gas condensate

| Price (Without Excise Duty) Agreed With Consumers (Purchasers) of Oil, Including Gas Condensate (Rubles Per Tonne) | Size of payments to the price regulation fund (in rubles) for each 100 rubles increase in price above R4,000 per tonne |
|---|---|
| Up to 4,000 | No payment made |
| From 4,000 to 4,500 | 30 |
| From 4,500 to 5,000 | 40 |
| 5,000 and above | 50 |

Footnote: The size of payments into the price regulation fund can be altered by decision of the Russian Federation Government or in accordance with the procedure established by it.

[Appendix No. 2] Size of supply-sales surcharges on prices for oil products

| Price for Enterprise (Producer-Supplier) for Oil Products Taking VAT (Rubles per Tonne) Into Account | Supply-Sales Surcharge (for Rayons of the Far North and Equivalent Localities the Supply-Sales Surcharge Is Doubled) Expressed in Percentage Terms on the Price of the Enterprise (Producer-Supplier) Taking VAT Into Account |
|---|---|
| Up to 10,000 | 18 |
| From 10,000 to 15,000 | 16 |
| From 15,000 to 20,000 | 14 |
| From 20,000 to 25,000 | 11 |
| 25,000 and above | 8 |

Footnote: The size of the supply-sales surcharge for individual enterprises can be altered by decision of the Russian Federation government or in accordance with the procedure established by it. [Appendix No. 3] Maximum coefficients for increasing the prices and tariffs for certain kinds of products and services in relation to the state regulated prices and tariffs for the population operative until 10 September 1992.

**Maximum Coefficients (Taking Account of VAT) on Previously Established State Regulated Prices and Tariffs**

| | |
|---|---|
| Transportation of passengers and baggage by rail (apart from suburban services | 1.5 |
| Transportation of passengers and baggage by river ["maritime" in ROSSIYSKIYE VESTI version] transport (apart from transportation on foreign voyages, local, suburban, and city services, and on ferry crossings). | 1.5 |
| Transportation of passengers and baggage by river (apart from transportation on local, suburban, and city services, and on ferry crossings) | 1.5 |
| Transportation of passengers and baggage by air (apart from transportation on local air lines) | 3.0 |
| Kerosene, fuel (coal, peat and coal briquettes, firewood, domestic furnace fuel, and similar kinds of fuel) | 1.5 |
| Thermal energy for heating and hot water supply, water pipe and sewerage services, liquefied gas for the population's domestic needs | 1.5 |
| Electricity allocated for municipal and consumer needs for the population living: in rural and city population centers; | 1.5 |
| in city population centers (apart from apartment blocks equipped with fixed electric heating installations); | 1.5 |
| in city population centers (in apartment blocks equipped with fixed electric stoves and electric heating installations) | 1.5 |

Footnote: The level of maximum coefficients can be altered in accordance with the procedure established by the Russian Federation Government.

## People's Patrotic Party Introduced in Moscow

*LD2209204192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1700 GMT 18 Sep 92*

[Report by correspondent M. Zotov; from the "Novosti" newscast]

[Text] The recently established People's Patriotic Party of Russia [Narodno-Patrioticheskaya Partiya Rossii] was presented to the public in Moscow today. Checks for 100,000 rubles were distributed to the mothers of soldiers killed in Afghanistan.

Today's meeting was told that the People's Patriotic Party does not see itself as a substitute for the Afghanistan Veterans' Union but initially it will share the same executive structure as the Union. According to Aleksandr Kotenev, the party's cochairman, it already has about 100,000 members.

In the opinion of its leadership, The party reserves the right in certain circumstances to go into opposition. [Video shows close-up of headline article in newspaper SOGLASIYE, described as the organ of the People's Patriotic Party, naming Aleksandr Kotenev and Anatoliy Gil as cochairmen.]

## Strategic Rocket Forces Chief on Army Issues

*PM2309155792 Moscow KRASNAYA ZVEZDA in Russian 23 Sep 92 p 2*

[Interview with Colonel General Igor Sergeyev, commander in chief of Strategic Rocket Forces, by Aleksandr Dolinin under the "First Interview in New Post" rubric; place and date not given: "Rocket Forces Have a History, and They Have a Future"—first two paragraphs are introduction "from KRASNAYA ZVEZDA's file"]

[Text] Colonel General Igor Dmitriyevich Sergeyev was born 20 April 1938 in the city of Verkhniy in Voroshilovgrad Oblast. He graduated from the P.S. Nakhimov Black Sea Higher Naval School and, with distinction, from the command faculty of the F.E. Dzerzhinskiy Military Engineering Academy and the General Staff Military Academy. He has spent more than 30 years in the Rocket Forces. He has held various engineer, command, and staff posts. He has been commander in chief of the Strategic Rocket Forces since 1 September 1992. Before this he was deputy commander in chief of the Strategic Rocket Forces for combat training.

He is married. His son is a student at Moscow Road Transport Institute.

[Dolinin] Igor Dmitriyevich, you are the seventh commander in chief in the history of the Strategic Rocket Forces, and your entire service has been connected with missiles, and yet you graduated from a naval school...

[Sergeyev] I entered the naval school of my own volition, under the influence of seamen who were in the Sergeyev family. But circumstances necessitated a change in the nature of service. This was the time of the creation of the Strategic Rocket Forces, which were being formed on the basis of all branches of the Armed Forces. The rocket units were joined by seamen, airmen, artillerymen...

[Dolinin] You mentioned the Sergeyev family...

[Sergeyev] It is ordinary, not distinguished. My father worked in a mine from the age of 11 years. He participated in the Great Patriotic War and the took part in

rehabilitating the Donbass. My mother raised her children. Everything in the family was aimed at giving the children a higher education. I, the elder son, became a military man, while the younger one became a professor and a doctor of medical sciences.

[Dolinin] You were appointed to the post by a decree of the Russian Federation president. What is the status of the Rocket Forces today?

[Sergeyev] The agreement signed and approved by the Commonwealth heads of state says everything about the purpose and status of the Strategic Rocket Forces, which form part of the Strategic Forces. It is within the framework of this legal document that the Strategic Rocket Forces arrange their activity. In accordance with the decree of the Russian Federation president, they have been made operationally subordinate to the Commonwealth Joint Armed Forces High Command.

Direct leadership of the forces is entrusted to the commander in chief of the Strategic Rocket Forces, who is subordinate to the Russian Federation defense minister and bears personal responsibility for the state of the Rocket Troops, their combat readiness, their all-around training, the leadership of combat duty, the guaranteed ensuring of nuclear safety...

[Dolinin] The Rocket Forces remain on combat duty. This is natural. But in connection with the Russian president's well-known statement readers ask this question: Against what are the missiles targeted?

[Sergeyev] The question of the selection of targets is a matter for big-time politics. The task of strategic rocket troops, as you rightly noted, is to perform combat duty to the prescribed degrees of combat readiness. Thereby we ensure the fulfillment of the tasks set for us by the top leadership of the country and the Armed Forces.

It is obvious that the retargeting of missiles cannot be a unilateral act if it is a question of collective security.

[Dolinin] Igor Dmitriyevich, let us touch on such an acute question as cooperation among Russia, Ukraine, Kazakhstan, and Belarus with regard to the Strategic Rocket Forces.

[Sergeyev] Many problems here have been resolved by a number of agreements concluded by the Commonwealth member states. But questions do exist. The chief one today is the composition of the Strategic Forces, including the Strategic Rocket Forces, and the procedure for managing them.

All the problems that arise here require serious elaboration and the existence of mutually acceptable conditions for resolving them, ruling out mere expediency.

In general, it is necessary to proceed from the chief point: The Strategic Rocket Forces are an integral organism, not separate launchers. They are all organically linked by a unified leadership, by a centralized system of combat command and control and operation of nuclear missile weapons, and by a unified system of combat duty at all levels of command and control through to the launcher, inclusive. All this is linked by flexible feedback. If this is not taken into account, then the matter of ensuring the Commonwealth states' security will only lose out. No one would forgive us for that.

[Dolinin] Security is also ensured by the high reliability of the nuclear missile weapons that remain in the arsenal. But many enterprises in the military-industrial complex are coming to a halt, and their ties are being broken. Will the Strategic Rocket Forces possess modern weapons in the future?

[Sergeyev] There is a basis for you question. But, in my view, there are ways to resolve it, even taking into account the harm done by dividing up the former Union. Modern combat missile complexes have high-quality characteristics. Chief among them are high combat readiness, mobility, survivability, and the ability to overcome ABM systems and to hit targets with any degree of protection. In taking particular ones off duty, new ones are being modernized and are not inferior to the previous ones in terms of combat characteristics.

[Dolinin] Recently the press has occasionally carried sensational reports of nuclear munitions being stolen and sold. How is nuclear security ensured among the troops? Has the unsanctioned use of weapons been ruled out?

[Sergeyev] There have been no instances of nuclear munitions having been sold during the 33 years that the Strategic Rocket Forces have existed. Rumors to that effect can only be called provocative. For questions of nuclear security and of preventing unsanctioned actions have always been at the center of attention in our troops. The necessary measures were envisaged the day they came into being, and considerable appropriations were invested.

Only highly-trained specialists are admitted to nuclear missile weapons, and the circle of people conversant with the holy of holies is strictly limited. Means of defending and guarding nuclear installations have been comprehensively worked out by science and tested by many years' practice, and world experience has also been taken into account. So the danger of nuclear weapons being used by mistake or deliberately by criminals is ruled out.

[Dolinin] And yet, Igor Dmitriyevich, it is men with their own moods, fatigue, and problems who stand beside this hardware. For, after all, they are alive, and fate does not particularly pamper them, as is the case with us all...

[Sergeyev] All this is so, but the actions of specialists in the Rocket Forces, particularly in dangerous and crucial operations, are subject to triple control. In addition, as I have already said, automatic equipment will not permit liberties. As regards social tension among personnel of the Rocket Forces, of course it exists. For we do not live

in a vacuum. Thousands of officers and ensigns, even among those on combat duty, do not have housing, and some have been waiting two or three years for an apartment. Being on combat duty for an average of 18 days a month and not having a corner where they could rest after duty, of course they are not overjoyed. If you consider that many of their wives cannot find work, that there is nowhere to accommodate children because preschool establishments are overly full, and that pay is not keeping up with prices, although it has been increasing recently, then the fact that many are dissatisfied with living conditions is quite understandable. You meet with officers and ensigns, and you feel that not all are confident about the future.

I would like to take this opportunity to express the general opinion of missilemen: A law on the status of servicemen and on social guarantees for them must be adopted as quickly as possible. Its draft has received universal approval among the troops. People are waiting for the deputies to adopt it.

...And yet, despite all the difficulties, we must be optimists. There must be an optimistic principle in our service and life. In general, I believe in the rebirth of Russia and the successful development of its Armed Forces. The threat of a world nuclear missile war and of a large-scale military conflict has been virtually reduced to a minimum today. At the same time it must not be forgotten that the threat of war has not ceased to be a reality. Consequently, the role of the Strategic Rocket Forces, which possess the means of ensuring global stability, still remains as before.

[Dolinin] Igor Dmitriyevich, you are a very critical and, at the same time, benevolent reader of KRASNAYA ZVEZDA...

[Sergeyev] Yes, I subscribe to and read the newspaper. I pin great hopes on it: Since the missilemen do not have their own press, I would like KRASNAYA ZVEZDA to become their own cherished publication.

## Military Expert Interviewed on Army's Role

*PM2409102192 Moscow ROSSIYSKAYA GAZETA in Russian 22 Sep 92 First Edition p 3*

[Interview with General A.I. Vladimirov, president of the Independent Political Science Association of Military Experts, by Andrey Lapshov under the "Military Reform" rubric; place and date not given: "General Vladimirov: This System Is Powerful And Quite Savage..."—first paragraph is introduction]

[Text] He is spoken of as a man who is capable not only of generating ideas, but also of putting them into practice. Aleksandr Ivanovich Vladimirov is a general, president of the Independent Political Science Association of Military Experts, adviser to the "Reform" parliamentary group, and a military expert for the radical democrat faction. In 1986, while division commander, he wrote the work "Reflections of a Combined Arms Commander," which General Dmitriy Volkogonov helped publish at the time. This was the first constructive formulation of military reform.

[Lapshov] Why were you, a military man, suddenly drawn into politics?

[Vladimirov] As a military career officer who has graduated from being a student at the Suvorov school to head of an Army staff, I have studied army life at all levels. I have seen its weak spots and I knew how to improve its organization... Having worked on Shaposhnikov's apparatus, I realized that this system cannot be changed from within. It is powerful, well tuned, quite savage, and unreceptive to everything new. So I began to seek another way of somehow influencing the course of reform. I realized that parliament would provide that opportunity.

[Lapshov] Our army is currently experiencing a difficult period. In your view, what awaits it? And what should we expect of it?

[Vladimirov] When you analyze recent Armed Forces appointments, you see that virtually all these military chiefs have come from the airborne forces or are Afghan veterans. They are staunch, tough people and that's fine. That is how they should be. But this is only OK as long as they are just doing their job.

However, as soon as the Army tries to pursue an autonomous policy, that is when the nightmare begins. This marks the beginning of the end of any democracy. The Army should only carry out the orders of the democratically elected state authority. Both the president and the parliament are making a huge mistake now in failing to realize how important it is to create a mechanism for civilian supervision of the Armed Forces. As well as of other strong-arm structures: the intelligence service, security forces, and so on.

[Lapshov] Do other states have such mechanisms?

[Vladimirov] They exist in all Western countries. People there realize that if the appropriate supervisory mechanism does not exist, sooner or later these structures will become wrapped up in their own problems. Then the battle begins. First the battle is waged by economic and social methods and then political and power-based means since they are power-based state structures...

We now have an Army that is absolutely unchecked.

[Lapshov] What is the nature of the mechanism for civilian supervision that you have proposed?

[Vladimirov] It is a system of legal directives, set out in legislation and incorporated into the powers of the parliament and the president and the functions of the Defense Ministry, which will provide the public and the parliament with a simple means of monitoring these highly power-based structures.

Instead of one committee for questions of defense and security, two have been set up by the parliament: a committee for security and one for defense. Within the latter committee an institute comprising parliamentary plenipotentiary representatives for matters pertaining to the Armed Forces is being set up to gather information about the state of affairs in various branches of the Armed Forces with regard to the implementation of the legislation on defense, the status of servicemen, social guarantees, budgets, and the implementation of projects.

Any political decision is adopted not by the Defense Ministry itself, but by the Security Council and is then ratified by the president. As an executor the Army knows best **how** to do things. But politicians should decide **what** must be done.

A public relations branch has been set up at the Defense Ministry. Parliamentary representation within this ministry and some kind of ministerial apparatus attached to the parliament are being set up to harmonize and coordinate efforts.

All appointments of the top leadership—the defense minister, his deputies, top military chiefs of branches of the Armed Forces, etc—are made through parliament.

[Lapshov] It is a good thing that we are creating a mechanism that will protect us from the Army. But who will protect the Army itself? Redployment on an unprecedented scale is under way, a redeployment that is more akin to a migration, thousands of officers and warrant officers have been left without work and housing...

[Vladimirov] I am now formulating programs for the social adapatation of the troops that are being cut back and am enlisting foreign investors in these projects. In order to preserve stability in all regions you have to know how much housing to prepare, what institutes are needed to retrain specialists, what kind of specialities people who turn up there will have...

A law on the status of the serviceman in Russia is expected to be adopted shortly and will of course clarify matters. But let us not forget that the Russian Army still has a presence in other CIS states. History has decreed that Union troops suddenly became Russian troops. And they have no rights there.

The Foreign Ministry has now ordered me to formulate the concept for Russia's military presence. Why are our troops in CIS countries, are they needed there at all, what status should they have... Everything must be analyzed from the viewpoint of the law and resolved via bilateral agreements and laws adopted by the various parliaments. This is an urgent matter: Tens of thousands of people in Uzbekistan or Kyrgyzstan do not know what lies in store for them...

I myself see military presence as a fundamental, basic political principle, the reasonable implementation of which will make it possible to defend Russia's national interests on the borders without damaging the sovereignty and national interests of the state in which our troops are stationed.

[Lapshov] In addition to the Army, millions of Russians have found themselves outside Russia. The instability inherent in the situation compels us to seriously ponder their security and the role that the Army may play...

[Vladimirov] The concept for military doctrine formulated by the General Staff Academy reads as follows: "The Russian Armed Forces are the guarantor of the rights of Russians in the CIS countries." I think that this phrase smacks of the old militarist mentality.

Other mechanisms must be introduced, mechanisms that the world has already worked out. These being the formation of cultural autonomies, consular protection, and the adoption of citizenship. That is a question of law.

If we fight for the rights of Russians in Estonia, say, according to the General Staff Academy's doctrine, we will inevitably reach a point where troops will have to be brought in there.

I have formulated an alternative military doctrine, the text of which I personally gave Yeltsin in April. (Judging by the steps that were taken subsequently, it had some effect). This document says where Russia's national interests lie, what the foundations of military policy are, and what military policy is and formulates the principles of sufficiency of armed forces. I see our Commonwealth as a regional subsystem of the United Nations based on UN principles. We must resolve our problems together, but at a fundamentally different level. Our subsystem must also have its own secretary general, its own charter, security council, security system, etc. And I think that we will reach that point.

[Lapshov] Have you succeeded in taking your other ideas to top state officials?

[Vladimirov] First, I have told the whole world about this at conferences in NATO, in the United States, Germany, Britain... Second, the documents that I formulate are distributed to the maximum number of influential politicians.

Regrettably, the ideas have been implemented only partially. That is in many respects the result of political compromises. But there is also another reason. From what I have seen, each of our departments (the Foreign Ministry, the parliament, presidential structures, the Supreme Soviet, and the Defense Ministry) has its own internal and external policy. We have still not formulated a common national policy. And that is very dangerous.

There is the term "knee-jerk government" [sudorogi upravleniya]. I think that the Germans' eviction to Kapustin Yar and the fuss over the Kurils and the Black

Sea Fleet resulted from national interests and the mechanisms for their implementation being poorly formulated.

So, we need to get over this phase as rapidly as possible. In order to do this we should activate the potential of nongovernmental organizations. Our scientists and experts must have not merely the right to a voice, but also a chance to reach the government with their proposals. Reason rather than the transient interests of the groupings of which there are so many in every structure should guide everything.

## Supreme Soviet

### Gaydar Addresses Supreme Soviet 22 Sep

*LD2309163392 Moscow Russian Television Network in Russian 2000 GMT 22 Sep 92*

[Speech by Acting Prime Minister Yegor Gaydar to the Supreme Soviet session in Moscow on 22 September; from the "At the Russian Federation Supreme Soviet" program—recorded]

[Text] Esteemed chairman, esteemed people's deputies:

Today I will not dwell on the conceptual side or the schedule of reforms. Instead I will try to concentrate on the Russian Government's practical work over the past few months to reform the economy and to create the necessary prerequisites for getting out of crisis and beginning the economic revival. First I will talk about the state of the national economy.

Industry. The drop in industrial output increased in the second half of the year. Whereas in the January-June period production was decreasing at an average rate of 13 to 15 percent in comparison with the same period last year, the drop in June was 21.5 percent, and in August it reached 27 percent. On the whole, within eight months industrial output has decreased 16.6 percent in comparison with the same period last year. The progress of industrial enterprises during the first half of the year can be characterized as sluggish. The main factors for the decrease in output volumes were the usual ones: disrupted or incomplete deliveries of raw materials and components.

The situation began to change at the beginning of June. Effective demand was gaining increased importance. The decline in demand means the curtailment of a number of industries whose products do not enjoy effective demand.

The combination of the main factors which have determined the decline in the volume and rate of growth of industrial production include the changes in the system of payments for the products, or prepayment. According to initial estimates, by the end of the year the yearly drop in industrial output could reach an overall 20 percent.

Prices have become the most important factor in the economic relations that influence the industry's dynamics. One should note that by the middle of the year they demonstrated a firm trend toward stabilization. After the May increase in prices for energy carriers, in June wholesale prices rose 35 percent. But in July they were up 17 percent and in August by only 13 percent. Even prices in the ferrous and nonferrous metallurgy industry were relatively stable in August. Before that they were characterized by a very rapid and dynamic growth.

One might suppose that the upcoming increase in prices for energy carriers and the general price growth will be relatively moderate and in approximate proportion to fuel and energy expenditures within production costs. The need to move toward new prices for energy carriers was determined by the extremely serious financial situation in this industry's enterprises, which was the result of prices for the material and technical resources used by this branch of industry increasing at an even faster rate and the unsatisfactory state of the system of payments for the use of fuel and energy.

Nevertheless, in comparison with the state of other branches of industry, fuel and energy industry enterprises in the current year should stabilize considerably. This will create a foundation for the normal functioning of the entire national economy. The presidential decree on moving toward the new regulated prices for energy carriers will allow all sectors of the fuel and energy complex to stabilize their financial situation, better meet the needs of the country's economy, and support exports.

The decline in investment activity in the Russian economy is continuing. In the first six months of the year, the volume of capital investment fell 46 percent in comparison to the corresponding period last year. According to preliminary assessments, the total volume of capital investment in 1992 will total some 50-55 percent of the 1991 level.

At the same time, enterprises' demands for budget allocations and capital investment have grown constantly during the year. In 1992 they will amount to nearly 50 percent of all investment, which is substantially higher than the rational level. It is essential to have an economy which is purposeful and differentiated according to sectors, bearing in mind their importance and support for investment activity, primarily through nonbudget sources of finance. The work that is being carried out at present to reassess the basic funds, which should be completed by 1 October 1992, allows the possibility of substantially expanding the financing of capital investment from depreciation allowance and curbs the tendency toward a fall in investment activity in the national economy. [indistinct protest from the floor]

[Chairman Ruslan Khasbulatov] Yegor Timurovich?

[Gaydar] Of course.

[Khasbulatov] Our acoustics, as you can see for yourself, are not very good, so keep that in mind.

[Gaydar] Right. The difficulties of switching the national economy to a market economy, the vast rise in prices, the weakening of economic ties both between enterprises and the states of the Commonwealth, did generate a considerable growth in nonpayments in the economy in the first half-year. The mutual debts of enterprises grew from 34 billion rubles [R] as of 1 January to R3.2 trillion as of 1 July—in other words, about 100 times.

Beginning in March, the government started to provide farms with state support through the Central Bank by granting credit. In accordance with the president's 1 July decree, this help has been expanded even more. The partial indexation of circulating capital was carried out. In August the Central Bank offset enterprises' reciprocal claims one against the other. As a result, the volume of nonpayments on farms fell to R900 billion as of 1 September, or more than three times.

At present the question of how to use capital counted as statement-of-account funds is being tackled. The one-off forwarding of it to enterprises' current accounts may spark off a huge additional emission of money and a sharp acceleration of inflationary processes. That would be dangerous.

The extension of considerable amounts of credit will mean a growth of the money supply. All in all over the year, it is expected to comprise R1.4 trillion.

On the whole, we can say that the substantial weakening of financial and credit policy that began in May and continued until August had, by the end of August, considerably strengthened inflationary pressure, disturbed the tendency noted in July and August toward stabilizing the retail price growth rate at a level of 1 to 2 percent a week, and led to a sharp increase in the exchange rate of the dollar to the ruble at the end of August and to a sharp acceleration in the rate of retail price growth from the last week of August onward.

This shows that the room for financial maneuvering, the relaxation of financial and credit policy, and sharp increases in the number of loans have been used up to a large extent. Now we will have to significantly tighten credit and monetary policy to prevent the collapse of the credit and monetary system.

Let us now turn to the agricultural situation. This year, as you well remember, there were constant predictions that agriculture was going to fall to pieces, that we would first fail to sow, then fail to harvest, and then, even if we did harvest, we would fail to stock up.

In actual fact the situation turned out to be less tragic. Sown areas for virtually all crops are larger than last year. The government took a number of measures to ensure that spring sowing and harvesting ran in an organized fashion at collective and state farms, peasant farms, and other agricultural establishments. At the current price rates, R641 billion in budget allocations has been earmarked for the development of the agro-industrial complex, taking into account subsidies and compensations. Some R178 billion in preferential credit resources has been earmarked for current needs, and R70 billion in budget allocations has been earmarked for 50-percent compensation for spending on fuel and lubricants. Reserves of fuel and lubricants have been increased, and the relevant services have been charged with ensuring their regular supply. Throughout the republic, grains ripened about two weeks later than usual. In the northern Caucasus, harvesting was substantially hampered by rainfall.

The situation in southern Siberia is currently difficult. Crops have been damaged over 15.6 million hectares, including nearly 10 million hectares of cereals. In spite of all this, this year's grown and gathered harvest is significantly higher than last year.

According to preliminary data, the expected production figures for the main crops are as follows: grain—96 million tonnes, which is about 7 million tonnes more than last year; sugar beet—about 6, or rather 5.6 million tonnes more than last year. The figures for vegetables and sunflowers are also expected to be higher than last year. As for potato, this year's harvest is going to be just slightly smaller in state and collective farms due to very difficult weather conditions, but this is going to be partially offset by a sharp increase in potato production on private plots.

In Russia as a whole, as of 21 September grain crops had been threshed on an area of 42.7 million hectares. A total of 86.5 million tonnes of grain has been threshed, which is about 2.5 million tonnes more than by the same date last year. The current yield is 20.4 quintals per hectare, which is four quintals more than last year.

Purchases of grain now total 17.6 million tonnes. Purchase pledges have been well fulfilled in the central, central black earth, and Volga-Vyatka regions. There is a considerable lag in the north Caucasus, where the rate of increase in grain sales has been considerably lower than in other regions. The southern Urals and western Siberia are still lagging behind because the harvest has not yet been completed there.

The situation is more complicated in animal husbandry. In the first eight months of the year, sales of cattle and poultry dropped 23 percent compared to the corresponding period last year, milk production was down 17 percent, and eggs 12 percent. There has been a considerable decline in the number of animals. But the decline in the number of large horned cattle in publicly owned farms has been virtually totally made up for by the increase in the number of animals on the population's personal subsidiary plots. But the decrease in the number of poultry, pigs, and sheep has not been made up for.

The main reason for the decline in the number of animals is well known: last year's major fodder shortage,

caused by last year's poor harvest. The rate of decline in the number of animals has been decreasing since 1 July.

The main problem in animal husbandry today is the very acute disproportion between prices paid for plant products and those paid for animal husbandry products. The sharp increase in the price of grain from this year's harvest makes the production of animal husbandry goods, especially on major complexes which do not have their own fodder base, into a complete loss-maker. We must seek out additional resources; we cannot allow our industrial animal husbandry to collapse. For the moment the government proposes to allocate about R38 billion by the end of the year to provide for the financial needs of major complexes which do not have their own fodder base.

The new structure of private farming is becoming established in agriculture. As of 1 September there were 138,000 private farms with an area of 5.8 million hectares. That number has increased over the past year by over 100,000 farms. Further growth is restricted, naturally, by the limited possibilities for state support, the shortage of credit resources, and the shortage of budget resources which the state can allocate for these aims. As of 1 September, financing totaling R13 billion has been made available in state aid to peasant farms. This is about 65 percent of the planned amount for nine months. Credits totaling R31 billion have also been granted. There are plans to allocate no less than 15 percent of the state's centralized capital investment to the construction of social and production infrastructure projects for peasant farms.

Supply of foodstuffs. The possibilities for providing the population with foodstuffs this year have been substantially held up by a drop in the production of livestock production above all. The mobilization of roughly $1.5 billion worth of agricultural imports, and, first and foremost, categories of agricultural produce that are in short supply like sugar, which, as one knows, Russia has always imported in large quantities, and sunflower oil, which we get from what are today the CIS states, has enabled the situation with regard to supplies of these groups of goods to be partly stabilized. But the situation remains strained, and this is reflected in the extremely high prices of sugar and sunflower oil. As far as milk, dairy products, and meat are concerned, since the spring, factors primarily connected with the curtailment of effective demand have begun to make themselves felt. Its sharp decline because of the increase in prices and the curtailment of available cash among members of the public has caused difficulties in the marketing of a wide range of types of animal husbandry products. Stocks of them in the trade network, the wholesale trade, and industry have increased sharply this year. In this connection, we are taking tactical steps with regard to imports, sharply limiting everything that is not covered by contracts for the purchase of animal husbandry produce, switching foreign currency resources to what is in extremely short supply today—primarily sugar and sunflower oil. Recently, there was also grain.

Measures to increase pay have helped to a certain extent to activate consumer demand since June and July. In July, the public acquired roughly 8 percent more goods in the shops than in June. The trade network itself is gradually becoming freer. Our research shows that the proportion of output that trade enterprises receive via the intermediate wholesale stage is being cut substantially. The network of direct links between shops and producers is expanding. The private sector's, including private individuals', involvement in meeting the effective demand of the population is increasing steeply.

One of the most important tasks we have had to tackle over the last two months was to ensure that goods are delivered to areas of the Far North, areas with a limited shipping period. It was the first time we tackled this task under market conditions, without the traditional directive-based methods and operational levers which enabled the job to be done in the past. So we had to use new methods. Problems emerged at the start of the northern transportation period. We were substantially late with it, and that was caused, among other things, by the late start to the shipping season itself, and also by our own disorganization and the fact that we did not draw up new methods appropriate to the altered circumstances from the very outset.

Nevertheless, the situation here has improved, essentially from July. We have allocated R200 billion worth of preferential credits. We have made a decision to give the recipients a compensation of 50 percent of the cost of the tariff charged for transportation of cargo and to allocate oil products and state reserves for the north region. Essential organizational measures have also been taken. By 1 September, 44.7 million tonnes of cargo had been sent to the Far North regions and localities of similar status. The delivery of foodstuffs has improved noticeably: 200,000 tonnes of foodstuffs were delivered in July, and 720,000 tonnes was delivered in August, 3.6 times more. At the moment, the only things causing anxiety are deliveries to the regions of the East Arctic and Chukotka, as well as to the Norilsk area.

We reached an agreement on the exchange of oil products with Canada designed to ease the transportation schedules. We have settled our complicated relations with Latvia which, after the breakup of the Soviet Union, turned out to be the owner of the special icebreaker tanker fleet traditionally used for making deliveries to our east Siberian regions. We have taken a whole range of financial decisions, rather expensive ones. On the whole, according to our assessments, we will be able to ensure a level of deliveries at 92 percent of the 1991 level, which will allow us to maintain normal living conditions in the far north regions.

Preparation for winter. This is the second task that we have to tackle under new conditions, without the traditional means for mobilizing resources. Nevertheless, the situation here is stable so far. It does not give rise to serious worries. Consumers' fuel reserves are 1.3 million tonnes higher, in terms of standard fuel than last year.

Coking coal reserves are considerably higher. Coal and fuel oil reserves are also higher. Gas reserves in subterranean gas deposits are also higher. Repair work affecting the heating systems and scheduled repairs of electric power stations have, on the whole, been carried out by the date fixed.

The situation regarding the population's incomes and the level of prices. Consumer prices increased 15.6 times within a year between August 1991 and August 1992, while workers' and office workers' salaries increased 10.6 times. Detailed analysis reveals that the overwhelming majority of the population presently preserves the consumption of foodstuffs at an acceptable level. On the whole, the level of the population's consumption of main foodstuffs this current year was in keeping with the level of the 1970's; in other words, with the level before the Samotlor period [reference to the Samotlor oil deposit in Tyumen oblast, West Siberia; discovered in 1965] after which it was, to a large extent, determined by concentrated purchases from abroad.

The number of people below the poverty line, the threshold of which is estimated at approximately R1,200 per person, amounts to approximately 13 million by the end of the first six months.

This is, first and foremost, a group of the population made up of a comparatively large number of people—single-parent families with children.

Recently, as a result of increases in incomes, there has been a softening of the effect of the first sharp increase in prices on consumer demand, which is demonstrated by figures on the correlation between the size of per capita income and the cost of the range of main foodstuffs that form the basis of what the population buys. Whereas in December 1991, the cost of this range on average comprised 22.6 percent of income, it rose sharply in January to 88.3 percent, but dropped in July to 35.8 percent.

The start of the mass procurement of grain crops of the 1992 harvest, which exceeded the 1991 level (?in price) approximately 25 to 30-fold, began at the end of August to have a significant effect on the level of selling prices for food. In August, prices for products of the flour and cereal industry almost doubled in comparison with July: wheat, rye flour, and certain types of cereals. The effect of the increase in the price of grain on the behavior of expenditure and, consequently, on the behavior of prices for livestock produce, has been considerable. Thus, unfortunately, we now have to be prepared for a significant increase in prices for the products of these sectors.

As I have already had the honor of pointing out, we plan to grant additional subsidies for livestock complexes, which are in very difficult circumstances and, evidently, we will be studying matters relating to ensuring at least a more even increase in prices for vital goods for the consumer, above all grain and grain products. Toward the end of August, there was a dampening of the pace of price increases in industry and on the consumer market. Prices for industrial output rose by 17 percent in July and by 13 percent in August. The retail price index was 13 percent in June, 7 percent in July and 8 percent in August. However, given the provision of significant credits to enterprises and the rapid increase in the incomes of the population, the pace of prices increases has increased in recent weeks, which demonstrates the need for a strengthening of anti-inflationary policy.

An important social problem that our government has inherited from our predecessors is the problem of the settlement of checks, special checks, the 1990 harvest checks, and the debts for the procurement of the 1991 harvest. This year we have tried to make efforts to resolve these problems. On the whole, as of 21 September of this year, 23,500 motor vehicles have been sold against all types of checks and also to suppliers of agricultural produce, on which R5.3 billion was spent, and a further R721 million was spent on additional payments for consumer goods. Total budget expenditures on these needs have comprised R14 billion.

Taking into account the serious difficulties experienced at the moment by the motor vehicle industry, which is being forced to change to a system of pre-payment of their suppliers, the Ministry of Finances has concluded an agreement with the Volga Motor Vehicle Manufacturing Association to make provisional payments for motor vehicles being issued to the holders of special checks, 1990 harvest checks, and also to the suppliers of agricultural produce. For these purposes, the Ministry of Finances has recently transferred R6 billion rubles to the AvtoVaz Production Association.

We are working out similar accords with other major enterprises of the motor vehicle industry. On the whole, all the volume of sales resulting from these commitments this year most evidently will require financing of around R40 billion. Apart from that, we are conducting intensive talks aimed at ensuring that at least some of the debts incurred by the 1990 and 1991 harvest checks will be paid off by means of possible credits being granted by foreign states. The corresponding licences, quotas, and credit resources have been allocated to Tsentrsoyuz for settling with the suppliers of agricultural produce.

The state budget and taxation policy. The deficit of the republic's budget in the first half of 1992 amounted to R101.3 billion or 7.5 percent of the gross national product [GNP]. It was practically without deficit in the first four months. The sharp increase in the deficit starts in April and especially May. In July and August, the development of the budget situation becomes plainly dangerous.

In the first eight months, according to preliminary figures, the overall volume of the budget deficit has amounted to some R800 billion. It is in the last two months that it has increased sharply.

As compared with the first quarter, the proportion of expenditure in the GNP for the national economy has grown sharply, by three points. Social spending has

grown one point. Defense spending has increased 1.5 points. Spending on maintenance of law enforcement bodies has grown.

At the present time, as I have already had the honor to say, we have approached the limits of the possibilities of deficit balancing. This is already having a very serious effect on the prospects of our foreign-currency policy and budgetary and finance policy. From September, the government is planning and carrying out measures aimed at a substantial tightening of the budget policy in order to sharply cut spending on financing the national economy and to again conduct military spending and expenditures on maintenance of state rule within a rational framework.

Conversion. The goal of our policy in the area of defense complex conversion is to maintain the nucleus of the scientific and technological potential of the defense complex in order to attain our military and technological objectives; to switch as quickly as possible production capacities released from the military order into civil production necessary for the national economy; and to cut state subsidies and to close inefficient industries and enterprises.

As you are aware, arms production decreased in 1992 by about 60 percent as compared to 1991. It was a hard blow for a vast number of arms manufacturers; it would have been too severe a shock but for the situation in which the national economy found itself. At the same time, we started pulling together resources, naturally, which were necessary in order to ensure the operation of defense complex enterprises, and primarily to have them converted for the needs of the national economy. On the whole, this year, R124 billion of centralized financial resources have been allocated for conversion needs. These are budget subsidies for running the social infrastructure, unique testing equipment, R21 billion in nonbudgetary funding to promote conversion, providing state enterprises with turnover capital; at the same time, this is also R77 billion in long-term credits to implement effective programs for defense industry conversion.

Taking into consideration the specific nature of some areas—Tula, Omsk, Severodvinsk, Udmurtiya—where the concentration of defense industries is particularly high and their spontaneous closures may provoke social conflict, the Government of the Russian Federation will develop special measures to support conversion in those areas.

Based on the analysis of presented and selected conversion programs, the highest share of credits—about 60 percent of the earmarked credit resources, were channeled into implementing the conversion to the agriculture and consumer sector program.

Shifting defense enterprises to the production of consumer goods will allow the creation in 1993 of additional capacities to produce goods worth R40 billion in the comparative prices of 1992. Considerable credits are being allocated to implementing civil aviation industry programs, under the Guideline Conversion to Transport and Communications. The civil aviation program provides for completing research and development on and undertaking production of a new generation of civil aviation aircraft: the IL-96-300, TU-204, IL-114, TU-334, AN-74, AN-38 models, and others.

Preferential credits will permit us to start reviving the Russian fleet, which has been considerably undermined since the disintegration of the Soviet Union.

The program of the development of communications and information technology aims to develop satellite communications and television, relay lines, to produce many more modern automatic telephone exchanges and telephones.

Providing credits for the Guideline Conversion to Medicine ensures the increase in capacities producing medical equipment and medicines—worth almost R10 billion in 1993.

On the whole, it can be said that the process of restructuring a very important, advanced, and entire huge sector in Russian industry, the needs of the national economy, is gaining pace this year, and next year we will be able to guarantee a substantial acceleration in the pace of the production of high-quality civilian products in this sector.

On to external economic ties. This year, the drop in imports and exports continued. According to the results of the first eight months, we had a positive trade balance amounting to approximately $500 million. Up until 1 July, the efficiency of our external trade activity was held up considerably by the inertia of contracts that had been concluded already, which were very difficult to review from the legal and financial point of view. In this connection, we were forced to direct substantial financial resources toward guaranteeing some inefficient imports in the first six months of the year. There was justified criticism by people's deputies during the discussion of the budget.

Since 1 July we have been substantially lowering the range of subsidized imports, have been toughening the import regulation regime, have introduced import tariffs and, at the same time, are taking measures aimed at stimulating exports and restricting the sphere of quotas and licences in exports.

At present, talks are being held aimed at guaranteeing the possibilities of Russia's access to a whole series of markets that look promising for us. I would single out from among them, in the first instance, problems connected with the sharp expansion of the position, with the reinforcement of the position of Russia in the uranium market, enriched or raw uranium, where we have huge possibilities, including in connection with the cut in defense requirements. At the same time, we have excellent technology, and the cost price of the production of the product is substantially lower than for all other suppliers in the world. At present, we are holding such

talks with the United States of America, in which there has been positive progress. There is positive progress in the position of the European Community on this question, too.

A most important sphere where our diplomacy should also support our external economic efforts is in the access of our high-technology spheres—in the first instance, such as the launch of satellites carrying useful cargo —should support the defense of our interests here, overcoming the restrictions on Russia's access to the market which still exist.

It should be said that our relations with a whole series of potentially very interesting consumers, in particular, with China, with which we have a chance of stabilizing the volume of trade this year, and of sharply increasing it next year, recently have begun to develop dynamically. It should be said that dynamic relations have begun to develop with Iran, including in the sphere of a number of potentially interesting investment projects, and so on.

On the whole, we have assessed that the creation of great incentives for exports, presently ensured by the liberalization of the foreign economic region, including the rock bottom rate of the ruble against the dollar, allows for the hope of substantial increases in the future—up to 5 to 6 billion per year—of the export of high quality products in the course of the next two to three years.

Regarding foreign investments. Approximately 500 specific facilities and enterprises have presently been examined with a view to potential foreign investments. Contracts have been concluded on a number of them. Technical and economic feasibility studies have begun. The most significant contracts, in my view, include the one concluded with one of the largest U.S. poultry-farming companies on locating two large combines producing broilers in Volgograd Oblast and the Shakhovskoy Rayon of Moscow Oblast.

In the field of high technology projects, the Ulyanovsk aviation production complex Aviastar, in cooperation with Rolls Royce, is producing TU-204 and TU-44 planes. In the primary sectors, first and foremost, we are involved in foreign-invested projects at the Udokan [Chita Oblast] copper deposit, the Priozersk polymetal deposit [Leningrad Oblast, on the shores of Lake Ladoga], a whole number of gold deposits, oil and gas deposits in the Sakhalin shelf, and gas deposits in the Barents Sea.

When working on these projects we above all pay attention to providing national enterprises with the maximum work load, the ones which are presently encountering a curtailment of effective demand for their products. In particular, say, the Udokan and the Priozersk projects, in principle, keep the Urals enterprises, presently going through financial difficulties, fully occupied.

The project on the Barents Sea shelf keeps some of the largest ship-building enterprises in northern Russia fully occupied, some which have found themselves in a difficult situation, and so on and so forth.

The course of privatization. This is one of the most important components of reform, which unfortunately has consumed a lot of our time for forming an organizational basis, a structure and an essential standard base. They have now been formed, on the whole. An acute intensification of the process of privatization, the process of receiving demands for privatization and their implementation, has begun. Revenues from privatization have also started to increase sharply. We managed to privatize approximately 18,000 shops, service enterprises, and public catering enterprises by the beginning of September.

Revenues from privatization exceeded R10 billion by September. At the same time, growth in the number of submitted and processed demands in August amounted to approximately 40 percent compared to July.

Privatization is proceeding particularly rapidly in the central regions of European Russia, in major towns where the majority of facilities subject to privatization are concentrated. These are, first and foremost, Perm Sverdlovsk, Penza, Nizhniy Novgorod, Volgograd, Belgorod oblasts, and Krasnodar Kray.

Some of the most important work being done today is launching privatization in major state industries. It is envisaged that 3,000 state enterprises will be transformed into joint-stock companies in 1992. A total of 7,000 state enterprises have already been turned into joint-stock companies. Now, practical work is beginning into printing and issuing privatization checks. A strict schedule of measures has been devised aimed at distributing them among the population and at involving the population in the privatization process. The issuing of privatization checks will begin on 1 October and should be completed by 31 December 1992.

At the moment, it seems to me that we have succeeded in ensuring a breakthrough in the attitude toward large-scale privatization. In spite of continuing arguments over the expediency and methods of large-scale privatization, over the correctness and soundness of the choice of value of the privatization check, over balancing the privileges of various social groups in the privatization process—and on some of these areas, we are ready to make the necessary partial adjustments to the measures being implemented—at the same time, the process has clearly affected social interests.

Did you know that, in accordance with the privatization program, 4,600 enterprises have just been included in the major issuing of shares? What is more, a further 1,300 enterprises have recently approached the government on their own initiative, wishing to join this program. Perhaps the most reliable evidence that we have succeeded in achieving a balance of interests is the fact that there have been virtually no approaches to the government by enterprises that do not want to privatize and wish to be removed from the current program. There

are approaches of the opposite kind about joining the implementation of such a program as quickly as possible. This means that even today, with all the criticism about the inadequacy of certain specific measures, the idea that privatization checks that have already issued should simply be taken back obviously has no support.

On social policy, the situation in the budgetary sphere has remained without any doubt the most difficult thing: above all education, culture, and health care. It was particularly critical, if you recall, in March when incomes in this sphere did indeed drop completely below the poverty line.

Since March, incomes have risen twice in this sphere. This has made it possible to stabilize the situation slightly. Since 1 September, anticipating the unfortunately inevitable, inflationary effect connected with new prices of the grain harvest, we increased monetary incomes in this sphere an additional 1.5 times. Work is now under way that is aimed at forming a unified tariff network in budgetary sectors from which we will try to remove many disproportions that have formed in the payment of labor in the budgetary sphere.

At the same time, it should be acknowledged honestly that problems remain here and very serious ones at that. They are determined in the first instance only by the limited financial sources that the state may have at its disposal at present. That is to say, the search for additional sources, including those mentioned at the beginning of today's session, undoubtedly will become a most important prerequisite for stabilizing the situation in budgetary sectors.

Government policy in the labor market is aimed at gradually bringing the structure of employment in line with the program of deepening the economic reform and at the same time with the elaboration and implementation of a system of measures for the social protection of the unemployed. At present, that problem is becoming a most important issue for social conflict and is being given constant attention.

As of 1 September, the number of unemployed reached 300,000. The level of unemployment is not high yet and just accounts for 1.4 percent of the able-bodied population. At the same time, we should not close our eyes to the fact that in summer, approximately one-fifth of industrial enterprises of the Russian Federation were working reduced hours. Thus, the potential of the disproportions and conflicts in the employment sphere is accumulating.

The situation as far as unemployment goes is the most complex in the central economic area. It is difficult in the northwest, as well as in the north Caucasus and in the Urals. By the end of 1992, we think that the number of unemployed may amount to 1.5 million, or 2 percent of the able-bodied population of working age. The remaining centers of unemployment will be approximately the same as today.

Unemployment may become particularly acute in small and medium-sized towns, especially those centered around one enterprise. Naturally, we are taking account of that problem in allocating financial resources in support of defense industry conversion because it is perhaps potentially the most serious source of tension in the employment arena. At the same time, we are developing a program for boosting employment in the Russian Federation and are envisaging practical steps to implement it.

On the whole, the accumulation of financial resources to fund unemployment is so far favorable. Allocations to this fund are increasing and so far considerably exceed the requirements necessary to cover unemployment benefits. At the same time, we must be prepared for the demand for financial resources needed to carry out target programs, employment programs that we are currently researching, crisis relief programs for regions with a potential for a sharp rise in unemployment—they will demand from us a considerable mobilization of financial resources.

Migration. The situation in Russia is considerably aggravated through the ever-growing influx of refugees and forced migrants from nearby foreign parts [blizhneye zarubezhye].

As of 1 September 1992, 460,000 refugees were registered in Russia. Just in the last month, there were 50,000 refugees from Abkhazia alone. The most difficult situation, in terms of refugees and migrants, has emerged primarily in the North Caucasus, in Krasnodarskiy, Stavropolskiy krays, and Rostov oblast.

At the same time, a process has started of forced exodus from areas that have not become such critically acute crisis zones; however, they are becoming—under new circumstances—a major potential source of additional immigration into Russia. There are currently about 700,000 forced migrants in Russia. From Kazakhstan alone, there are 30,000 of them, 13,000—from Kyrgyzstan, and so on.

At present, the government has developed a conception of Russia's migration policy, a long-term republican program for the migration. So far, unfortunately the Supreme Soviet has failed to adopt a law on refugees—so we were forced to regulate the refugee and forced migrants' situation through normative acts of the government that define their status and possible benefits.

In accordance with the migration program, settlements are being built for resettlement of whole communities—in the Voronezh, Kaluga, Pskov, and other oblasts. So far, 35 such settlements are under construction.

The procedure for an emergency relief program for mass refugee acceptance was developed; it was already put into operation when the situation with refugees from Moldova and Georgia became critical. Unfortunately, at

present we have to intensively work at preparing to receive refugees from Tajikistan, where there is a lot of tension.

According to our estimates, this year we will have to channel, on the whole, R4.9 billion to finance refugee and forced migrants relief programs.

In the very limited time that I still have, I will not dwell on a cluster of foreign political and defense issues. I will only mention our activities regarding crisis zones and the current situation there. As you are aware, in the last two months, while the parliament was in recess, the South Ossetian situation was stabilized with a large degree of success.

We managed here to achieve the creation of peacemaking forces, bringing them into the conflict zone, and a practical cease-fire. Refugees have begun to return from North Ossetia to South Ossetia. We are allocating the financial resources necessary for carrying out the albeit minimum work to restore vital facilities in that region and to support the refugees heading here. On the whole, in our view, that has substantially stabilized the situation in the south of Russia.

The second most important conflict in which we have also managed to make some progress is the settlement of the conflict in the Dniester region. The active position of the Russian side also played a determining role here. It has also been possible to achieve a cease-fire here and introduce peacemaking forces. This is the first instance of Russia in cooperation with other states of the CIS, and we have also sent.... [changes thought] The flood of refugees has turned back now. It has already turned back from the Dniester region. Repatriation has begun, and we are lending assistance here in supporting the restoration of the vital facilities destroyed in the Dniester region.

Unfortunately, the situation as far as the Georgian-Abkhaz conflict is concerned is much more complex. As you know, the relevant agreements were signed during the talks in Moscow on ways for settling the Georgian-Abkhaz conflict, a peacemaking commission was set up. It is working. We have managed in the main to disengage troops in key sectors and to achieve a cease-fire. At the same time, we can see that recently the settlement process clearly has slowed down. Unfortunately, we are unable to achieve the absolutely most important prerequisites for stabilizing the situation in this region—that is, guaranteeing the practical implementation of the accord on the withdrawal of Georgian formations to mutually agreed points on the territory of Abkhazia in order to create the prerequisites for unblocking the railroads and withdrawing from the conflict area the formations of the northern Caucasus, which have come to the support of the Abkhaz.

Here, evidently, we will have to be more persistent in raising with the Georgian Government the issue of the need for the full and comprehensive observance of all conditions, accords, and understandings that were signed in Moscow. Without that, the situation in the conflict zone could deteriorate and again become uncontrollable.

Esteemed people's deputies, thank you for your attention. I will reply to your questions with pleasure.

### Answers Deputies' Questions

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[Question and answer session by Acting Prime Minister Yegor Gaydar with deputies at the Supreme Soviet session in Moscow on 22 September, moderated by Chairman Ruslan Khasbulatov; from the "At the Russian Federation Supreme Soviet" program—recorded]

[Excerpts] [Vinogradova] Esteemed colleagues! Esteemed Yegor Timurovich! City of Novosibirsk, Deputy Vinogradova, [constituency] 519. I have two and a half questions to put to you. Here is the first question. [passage omitted: agrees with Gaydar's assessment of Siberia's difficult climate]

Tell us please, is the government proposing anything in order to stabilize the situation in Novosibirsk Oblast, in particular, as far as grain is concerned? Here is the second question: Various economic regional associations are being set up in Russia, such as the Siberian Agreement [Siberskoye Soglasheniye]. What do you think of such economic independence, such regional associations, and of course, not without speculating, the policy toward these regions? And as for the last half of the question—the wage rate distribution for teaching staff which you spoke of. [passage omitted: teachers will not survive the price rises]

When will the wage rate distribution be ready? On the whole, let's seek measures jointly to ensure that teachers and the budgetary sphere in general isn't reduced to begging. Thank you.

[Gaydar] Esteemed colleagues! Taking these questions in sequence, the possibility of support for Novosibirsk: The Agriculture Ministry is now taking account.... [changes thought] summing up the results of the agricultural year and is singling out a set of crisis regions which have suffered substantially from the weather conditions, let's say, from drought in the northwestern oblasts of Russia, or damage connected with too much rainfall in individual regions of the Northern Caucasus. Apparently, in our country the Altay Kray is in a particularly difficult situation. In this connection, federal purchases in Altay will have to be reduced. Briefly, within the framework of summing up the results of the agricultural year, we will single out the regions which really are in the most difficult situation this year and which have will have to be helped. Such work is under way.

As for economic regional associations, I ardently support the idea of economic regional associations as, strictly speaking, a particular economic initiative and as an

initiative from below. It is very useful. It makes it possible to coordinate economic policy and leads to the lessening of disproportions in the level of prices in nearby regions and also makes it possible to get inter-oblast cooperation going rather well. For example, the work of the Urals' Association has been very effectively depoliticized, in my view. That is very useful. In principle, the work of the Far East Association is useful. So we will support in every way the activity of nonpolitical centers, i.e., economic cooperation organizations.

Third, as for the wage rate distribution in budgetary organizations, on the whole the Labor Ministry has elaborated proposals on wage rate distribution. On 24 September, we are to discuss the proposed variant at a government meeting. We will examine, discuss, and perhaps look at some amendments. Naturally, the main problem will be how to find the financial resources necessary to assimilate these rates. Unfortunately, something to the tune of 40 billion to 50 billion a month is necessary to obtain them. But this is already a separate issue, a purely financial issue, which has to be specially considered.

[Starovoytova] Starovoytova, St. Petersburg, 12th electoral district. Esteemed Yegor Timurovich, I have two questions: First, how many printing machines do we really have? Is it true that a printing machine was recently given to Ukraine at the instruction of the Central Bank and that Ukraine thus has the capacity to issue rubles? This is the first question.

Second, shed some light on the situation about arms transfers to the Transcaucasian republics—in accordance with the agreements that have been reached—what are the proportions, the transfer deadlines? Why is there an imbalance—in aviation gear, among other things, in the SU-25 fighter bombers, etc.—which undoubtedly leads to the escalation of the current military activities in Transcaucasia.

[Gaydar] First question—Ukraine and printing machines. Naturally, when we started implementing the reform the main problem was that we had 15 printing machines, which meant practically unlimited possibilities for credit and monetary emission by any of the central banks of the former USSR states. In the first six months, a restrained Russian financial policy, which incidentally became the primary inflation generating factor in 1991, permitted partial compensatation for the monetary excesses several republics.

One must honestly admit, at the same time, that prior to 1 July we were absolutely defenseless before the potential dumping onto the Russian market of rubles emitted in other countries. It was only some time later, from March onwards, that we started to receive data, with a months' delay, on how much they actually emitted and dumped onto our market. Luckily, until July most states displayed sufficient restraint; the scope of these emissions was considerable but it was not fatal to our monetary policy.

On 1 July, the Central Bank managed to work out a system of operational monitoring of the dynamics of the movement of money between Russia and other republics of the former USSR, and organized daily control over the processing of payment documents in both directions. This was a great accomplishment of both the old and the new management of the bank, I believe.

Naturally, this radically changed the terms on which other republics trade with us, because after this we had currencies that were related but already separate, in a certain sense. For example, in June and July Ukraine sharply increased its issue of credits to finance growth in working capital and state debt. They will not automatically flow into the Russian market, but they will cause a steep devaluation of the Ukrainian ruble. In Ukraine, for example, the dollar is worth considerably more than in Russia. This factor makes a substantial contribution to the stabilization of the rate of exchange in our country.

So, from the start we realized we needed time to coordinate things properly; that we could not just go and bring links between the republics to a complete halt when they were in full swing. We were willing for the Central Bank, in consultation with the government, to provide some technical credits, within reason, to enable accounts to be settled. These credits were also provided to several states. The most serious problems arose with Ukraine, in settling up bills. The Central Bank decided to temporarily suspend the operation of correspondent accounts. In fact, they ended up being suspended for four days. During that time we received payment orders from Ukraine worth 96 billion rubles [R], if my memory does not deceive me. This quite considerably complicated the overall financial and currency situation in Russia.

Since last Monday—not the one just past but last week—and after consultations with the government, the Central Bank halted additional credits to Ukraine over and above this sum, until appropriate agreements can be reached between the government, the Central Bank, and the Ukrainian Government. I think that we will have to get together with them and find ways of increasing Ukrainian exports to the Russian market, removing the restrictions that unfortunately exist in this field, and for Ukraine to receive the financing that it needs to continue trading normally with Russia.

Regarding arms transfers, the fact is that arms transfers to many CIS states, former USSR republics, were largely predetermined by decisions made before Russia established its own defense ministry, and before we began to exercise at least some control over what was going on in the Armed Forces. Several decisions were truly potentially dangerous. There were also numerous arms seizures which also destabilized the situation.

Regarding Azerbaijan and Armenia, on the whole we were trying to pursue a policy of not breaking the existing balance of forces in that region and of not giving either side an advantage over the other, because our policy is aimed at achieving a peaceful end to that conflict. At the

same time, there are objective difficulties there connected with the fact that from the very beginning the 4th Army stationed in Azerbaijan was much stronger, much larger numerically and much richer in equipment than the 7th Army stationed in Armenia. Besides, at the request of the Armenian leadership one of the divisions of the 7th Army was left under the jurisdiction of Russia and its equipment was not handed over to Armenia.

[Khasbulatov] Microphone three, go ahead please.

[Malkov] The 83d territorial and national constituency, Malkov. [passage omitted]

What is the government's present attitude to the operation of free economic zones? [passage omitted: Malkov says that the government's decisions on free economic zones are not being implemented]

My second question: What is the procedure for organizing the supervision of decisions which are being adopted by the Supreme Soviet and its presidium? [passage omitted: Malkov names government's decisions which, according to him, are not being fulfilled]

[Gaydar] First, as far as free economic zones are concerned, you know that a decree on free economic zones, which, to a large extent, enshrined freedoms and privileges to them earlier, has been adopted. For the majority of zones the decree generally created a basis for further work in 1992. Speaking seriously of the government's position with regard to free zones, it is a differentiated approach. We warmly support the initiatives and the work to set up micro-zones—small in scale with precise prospects for a breakthrough in the foreign economic sphere: like the Nakhodka zone, for example. I believe, overall, that, considering the specific situation of these regions, there are serious prospects for work on free economic zones in Sakhalin Oblast, the Kurils, and in Kaliningrad. At the same time, we have extended the various decisions on free economic zones—other big macro-zones—that were adopted before us. But, we also think it is sensible and natural to attempt to single out micro-zones in these macro-zones. I have in mind small and comparatively compact regions which it is proposed to earmark, in the first instance, as areas for priority development. Otherwise the decision on zones simply becomes a factor which singles out individual zones from the general regulatory structure exclusively at the expense of other regions, since there is no other set of accounts in Russia.

Regarding the system of scrutinizing the execution of decisions of the presidium and Supreme Soviet, generally speaking, as you know, under our existing Constitution the presidium normally recommends to the president that he instruct the government under the existing set of relations between the branches of power. Still, we have naturally developed this sort of scrutiny. I regularly receive reports on how instructions and requests from the presidium, the chairman of the presidium, and Supreme Soviet have been implemented. We naturally try to fulfill them as far as possible, but the point is that on all matters which are essentially financial we are bound by decisions higher than a decision of the presidium: it is a Supreme Soviet budget decision.

We are operating within the budget that was endorsed. Whenever a decision by us or by the presidium extends beyond our budget, we work to find the resources needed. Difficulties tackling the costly issues that you mentioned arise precisely from this fact. Regarding imports and exports, I know that you are in contact with the commission and attend all the meetings. I told the commission that we will meet 92 percent of our imports schedule.

With regard to food, I have no doubts about potatoes on the whole, but there are some serious problems—as you know, because of the sharp rise in prices—with a whole range of supplies, including vegetables. Regions and trading enterprises are refusing to supply them.

[Khasbulatov] Microphone number 4, please.

[Plotnikov] Deputy Plotnikov, constituency 459, Kostroma oblast. My question has nothing to do with the economy, and I am asking it only because you said that we have achieved particular success in foreign policy. I would like to put, so to speak, two sub-questions to you. Do you include among these particular successes the agreement that we have just signed with Lithuania, the way that the president's visit to Japan was so rudely stopped, the fact that, in my view, much of the responsibility of the Dniester crisis lies with the Foreign Ministry's previous policy and, finally, the fact that when Lepitskiy, chairman of the People's Party of Free Russia, is invited by the Socialist International to Europe he is asked for a bribe by the Foreign Ministry's consular department for his visa under the pretext that the department is now operating as a cooperative business? So, is this success? That is number one.

Number two: Who actually defines foreign policy? Kozyrev? Burbulis? The president himself? Is it not time to sort out the question of personnel here? How do you assess this as acting chairman of the Cabinet of Ministers? Thank you.

[Gaydar] I am obviously going to have to ask for the transcript of my speech because I know very well that I did not talk about particular foreign policy successes. I said that I would not dwell in detail on our foreign policy, except for certain positive progress in resolving a number of regional conflicts—just so that everything is clear.

Second, on the questions which were raised specifically. Well, we are conducting fairly difficult talks with Lithuania. You are well aware that we have less problems on citizenship issues with Lithuania than with other Baltic states, but on the other hand we have very serious problems in two areas. These are problems connected with the withdrawal of troops, their deadlines and large-scale compensations, and the questions connected with the pipelines passing through Lithuania to Kaliningrad

Oblast. Work is being done on these matters. You know that, for the time being, it has not been possible to agree on a final treaty on the troop withdrawal. We are indeed trying to speed up troop withdrawal from the Baltic republics. We are convinced that this is in Russia's interests because the troops there are essentially becoming hostages, as a matter of fact, of internal political problems in this region. We therefore believe that this is in our interests. It is necesary to reach agreement on all matters.

Well, I would not dramatize under any circumstances the postponement of the visit to Japan. Perhaps it would have better if it had been postponed slightly earlier. But on the whole this is not something unprecedented in world practice. The postponement of visits by statesmen occurs fairly regularly and fairly frequently. I, for instance, do not understand why we must all go into a panic about this.

As far as the Dniester region is concerned, I cannot agree with the claim that the crisis in the Dniester region was created by the Russian Federation's Foreign Ministry's policy. Here one must look at how the national conflict in Moldova developed in reality and at the logic of the development of interethnic conflicts in general, which, unfortunately, more often than not are not rational or controlled by anyone, including the Russian Federation's Foreign Ministry. After all, the Republic of Moldova had itself to come to the brink of a very serious civil war—had to recognize just what, as a matter of fact, the politicoes are pushing it toward—in order to adopt the decision, which we were able to effect only with Moldova's assistance and that of the other two side. Without an agreement either with Moldova or the Dniester region, we would not have been able to do anything to help stabilize the situation.

[Khasbulatov] Five, go ahead please. Microphone five.

[Konovalov] Deputy Konovalov, constituency 518, Novosibirsk. [passage omitted: recaps government pledge to restructure industry and the rise in the price of consumer goods]

I would like to know what real structural restructuring there is in the consumer goods industry and what the real drop in production in this sector is, with regard to the general drop you mentioned. My second question, what is your forecast for the growth in prices and for the drop in the ruble-dollar rate? What does the government think are the main reasons for this serious trend? Thank you.

[Gaydar] The drop in the production of consumer, of industrial consumer goods, over the eight months of this year is at most 15 percent. The drop in differentiated groups of goods, the production of light industrial goods, fell most substantially in the first place in connection with difficulties in the provision of raw materials, especially in the supplies of cotton from Central Asia.

The situation is varied as far as high-tech consumer durables are concerned. There are groups for which the drop is not great and there are groups for which the growth is rather dynamic, let us say, in the form of tape recorders, the increase in which is growing rather rapidly. There are others in which it is dropping, including due to factors connected with demand.

Defense industry projects are being elaborated very actively now or are being implemented in practice which are aimed at increasing the output of consumer goods. That is, in the first place, refrigerators, washing machines, sewing machines, and gas heating devices. I would say that if they are sold completely, the general volume of production may exceed substantially the demand of the Russian market. Here, naturally, time is required, at least months, or at the very least weeks. In all honesty, I am not afraid of overproduction in this sphere because incidentally these groups of goods are being exported today, partly through legal and partly through illegal channels, from Russia. So, no matter on which of these goods we impose an export tax, then by itself, the export by Russian enterprises of these goods, is, in my view, just the normal process of opening up the market for a product in which we are competitive.

As far as the second question on the fall in the ruble rate is concerned, the ruble rate is determined by two main factors. The first is the dynamics of money in circulation; that is a strictly implemented credit and monetary policy. The second is the existence of hard currency resources in the country and the volume of currency intervention. If you recall, throughout the first six months of the year, when a rather strict financial credit policy was being implemented, the course of the ruble grew rather steadily in relation to the dollar up until approximately May. The softening of the monetary policy began evidently in June and the state budget deficit began to grow and the rate of growth of money in circulation accelerated rather appreciably.

The government and the Central Bank's attempts to set it off against hard currency interventions which increased sharply in June were ultimately hopeless because no hard currency interventions can outbalance things happening in our own internal economy, internal monetary sphere. That is why the decrease in the ruble rate in July gave place to its fall facilitated by the slackening of the monetary policy. At the present time, if you look at the results of recent, today's, auctions, you will see two factors. Supply is fine. Supply is high—$38 million. In a nutshell, the hard currency market is working. It has already become a large segment in hard currency circulation today. It already amounts to dozens and hundreds of thousands of millions of rubles a week, or rather a month. At the same time a sharp increase of the demand for hard currency—up to R80 billion—can be seen. This sharp increase in demand very evidently testifies to the fact that we went far beyond the permitted framework in the slackening of our monetary policy. It is exactly this that has been determining the development of the rate situation in the course of the last three or four weeks.

[Khasbulatov] Microphone six, go ahead please.

[Zakharov] Esteemed Yegor Timurovich, Deputy Zakharov, 77th constituency. [passage omitted: talks about the liberalization of prices in rural areas still controlled by towns' procurement structures]

What is your attitude to the immediate indexation of prices for agricultural and industrial products? [passage omitted: indexation mechanism operated in 1991]

[Gaydar] I would like to ask you to be careful with the correlation of prices for agricultural and industrial products because there are two very clear-cut types of prices for agricultural products today. These are prices for plant-growing products, especially grain, and prices for animal husbandry products. If we compare grain prices with the prices for the main industrial products used in horticulture, from oil to combine harvesters, then we see that there is a glaring imbalance and that it has moved back in favor of grain. The traditional correlation between grain and oil prices is approximately 1.1 to 1.2 tonnes of oil for one tonne of grain, but very recently, for example just before the latest price rises, it was about 4.5 times higher. After the latest price rises it will be about 2.5 times higher. So here we have.... [changes thought] The same thing applies, incidentally, to combine harvesters and cars. It will still turn out that in reality and in terms of grain per tonne calculated in terms of industrial product, the grain industry has gained greatly. But because of this there are very serious problems in the livestock industry, which is the principal grain consumer—as you well know, most grain goes not for bread but for livestock farming. Here, because of contractions in effective demand, including because monopolistic processing enterprises have pushed prices down, quite serious discrepancies have arisen. What can we do about this?

First, we have decided to change the way that enterprises processing agricultural produce will be privatized, in accordance with a government resolution envisaging more rights for agricultural producers as they are privatized. This in theory will allow us to partially rectify the situation. Second, we have introduced subsidies for livestock production. In theory, I would support any way of index-linking the difference between grain and livestock prices because grain producers now enjoy large and in effect excessive cash incomes, while livestock producers do not earn enough by far. But I fear that it will be extremely difficult for us to find realistic financial ways of getting the money received by, say, grain producers after the excessive price rises and mobilizing it in favor of livestock producers.

[Unidentified deputy] Yegor Timurovich, I would like to ask you initially a short question to be answered straight away. Tell me, what is your attitude to bringing new technology into Russia? What is your attitude to acquiring new equipment, buying it, for or against, and what is the government's view?

[Gaydar] I am in favor of bringing in new technology and of buying new equipment. I am especially in favor of restoring our own industry by restoring our own, I stress, equipment. Therefore I greatly favor wherever possible trying to protect our own producers of equipment.

[Deputy] But what if there aren't any?

[Gaydar] If there aren't any then the situation is much more complex, and then we will have to take other decisions if possible.

[Deputy] Then can you explain to me please, how is it that today many enterprises, like my own, after having spent up to 11 million on the equipment which is to be delivered from 1 January, today have to pay 15 percent?

[Khasbulatov] You are saying that you have $11 million....

[Deputy, interrupting] No, I had them then. Anyway, can you explain this to me, please: Now I have to pay 15 percent at today's rate, in other words for each dollar I should pay R200-odd. Am I able to do this? Now the equipment has arrived. It is being impounded at customs. Today I am forced to go to Yegor Timurovich and ask him for permission to clear it. But I do not want to be doing this. I would rather there is some sensible state policy on this. This is the first question. The second one: Yegor Timurovich, tell me plese do you know the official figure in dollars for the total volume of goods sold to the West to date? Can you quote it from memory?

[Gaydar] $21 billion.

[Deputy] Yes, 18.5 billion [as heard], I agree with you.

[Gaydar] Your figures are slightly out of date.

[Deputy] Well, maybe. My figures are two weeks old. The 4.5 billion comes from barter deals and 14 billion—well, allowing for the time for the payments to come through, we should have on the bank accounts something like 7-8 billion at the moment. What is the sum we have on the Vnesheconombank trade accounts today, do you know?

[Gaydar] It is an unreasonable question in regards to the Vnesheconombank because it no longer has the monopoly for currency operations. Russian enterprises have $4 billion on their accounts in Russian banks.

[Deputy] This is another matter. Therefore, you can imagine, comrades, why am I asking this question. While we are talking about the market for dollars here in Russia, in actual fact we do everything to prevent the money from coming into the country because we are afraid of a government which has at one time frozen....

[Gaydar, interrupting] On the first question: According to the existing regulations, if the contracts were concluded before the introduction of the new import tariffs the government may reconsider them and either reduce or cancel them. This is on the first question. On the

second question, I would like to draw your attention to the fact that on the whole if we are to consider the situation, we should be supporting our own manufacturers of equipment. Far too often today we see that whereas we have own equipment manufactured here whose production is of sufficiently good quality, the raw materials processing manufacturers nevertheless are dragging in such equipment from abroad in colossal quantities, some of the reasons being that it is more pleasant and comfortable to buy it there. This is what I have to say on the question of the import tariffs policy.

Now, about capital flight. First, let me point out to you that not only have our enterprises achieved sales of $21 billion but that have also made purchases to the value of approximately $21 billion. So it is wrong to compare the figures for sales on foreign markets with the figures for money held in accounts in Russia. You have to compare them with the figures after deductions for the imports received by our enterprises. You know that, for example, our major exporters buy up in bulk assemblies, pipes, metal, rolled steel, machine tools, whatever, and what have you. So it is wrong, unfortunately, to reckon up the figures that way.

At the same time, I agree with you completely that capital flight from Russia is a very serious problem and is causing great government concern. Unfortunately, we have fewer ways than other countries of resolving this by administrative measures—if only because, for example, we are just now setting up our own Russian customs service. Also, since many of our border points never used to be with foreign states, we have not had our own customs. So there are major opportunities to export raw materials products without the usual customs controls, via the CIS countries and so forth. It will take time to set up such a network of controls, but we are getting on with it. The situation in the Baltics is under control and will remain under control. Let me stress once again that it will all take time, effort, and money.

Second, we are now re-registering enterprises that are entitled to trade in raw materials. This is not primarily to reinstate the Foreign Trade Ministry's monopoly, but to make these enterprises—which deal in a narrow range of goods such as oil, oil products, mineral fertilizers, ferrous and non-ferrous metals, and timber—clearly show where they are delivered, to which accounts they moved their money, what prices they charge and are they in fact artificially low, where the money went, and depending on this, we will either issue the appropriate permits or withold them. That is what we are doing. But on the whole I have to say that, unfortunately, our currency controls are of course ineffective, and world experience shows that the most effective way of ensuring an influx of currency to your country is not to try and herd it in with a stick but to simply strengthen your own national currency. If any country's macro-economic and finance policy is stable, even for a short period of time, it simply stops suffering from this problem because straight away the reverse starts happening: repatriation of capital. For example, money that was earlier transferred from, say, Mexico to the United States will be transferred back to Mexico. The same thing will happen in our country as soon as we manage to stabilize our own ruble in earnest.

[Khasbulatov] One, microphone one.

[Babayev] Deputy Babayev, constituency 374. Esteemed comrade Gaydar! [passage omitted: enterprises are unable to sell products due to high prices, consumers are unable to buy to shortage of money.]

A situation of collapse, of paralysis, has arisen. What is the way out? Moreover, I would like to ask you what you understand by a toughening of the credit and financial policy? [passage omitted: Babayev gives his view of what the toughening of the credit and financial policy means.]

I would also ask you to to explain your view on forced measures to accelerate the economic reform. [passage omitted: Babayev gives instances of this. Draws Gaydar's attention to a previous point.]

Will there ever be any parity in relations between industry and agriculture? Can there be any hope of this in principle or is this a lost cause? Thank you for you attention.

So, esteemed colleagues, as far as the first issue is concerned—yes, a lot of enterprises today are coming across the situation when due to their high spending they find it difficult to sell their products. If you remember, when we started the reform, the general assumption was that enterprises could budget any costs in their overheads because the production would sell whatever the price, and consumers would enthusiastically pick up the tab.

Today reality has revealed that this is not working. Consumers are not enthusiastically footing all bills, and eventually enterprises which have become in fact accustomed, especially in the last three years, to the idea that overheads are no object, that costs or raising the economic efficiency of the use of resources should not be given any thought, which quietly budgeted all of this in the price—the consumer will swallow anything—are now confronted with a very unpleasant situation. They have to think about all of it—costs, raising efficiency, cutting management, and so on. In general terms, this is the only way out of the situation that you have described. This is real opposition of the limit of solvency-based consumer demand to excessive, inefficient expenditure.

Second, toughening of the credit policy—what it means. For a start, result-wise, this means primarily the decrease of the rate of the growth of money in circulation in comparison with the extraordinarily high level that appeared in real terms in July and August; the lowering of monthly volumes of the state budget deficit against, once more, the extraordinarily high level which sadly manifested itself in June to August.

Here, what can be done? First, it is simply necessary to strengthen control of the immobilization of those credit resources which were released into the national economy

and earmarked for specific aims: for sawing, mowing, harvesting, shipping to the far north, et cetera—to stop them ending up as turnover funds and aggravating the inflationary processes. Next, to generally cut or rather sequestrate expenditure in the state budget, cut down on all that we can do without today, in order to salvage the national economy.

Third, what is my opinion of command measures to accelerate the economic reform? Being a liberal by persuasion, in general I am not a proponent of command measures. I have yet to see a director in industry whom our government would jail for refusing to implement the privatization program. Moreover, as I had the honor to notice earlier, we receive few protests from those directors in the industry who have been involved in the privatization program. I can say that if directors contact us and say that they want to drop out of the privatization process, not to be involved, to remain with the state property, the government will consider this request with much attention and will most certainly meet it. This is regarding our alleged driving directors with a stick into capitalism.

As far as concerns the combined price index, I would point out to you that the figures in the combined price index were computed for the month of July when, as you know, the 1992 harvest had not yet begun and when the prices of plant-growing produce did not affect the index for the overall price level in agriculture.

[Khasbulatov] Number eight, please.

[Ivanov] Esteemed Yegor Timurovich, Pavel Arkadiyevich Ivanov, constituency 314, Volgograd. I am on your right, up above. I understand that the treaty concluded with west Germany on the withdrawal of our troops onto the territory of Russia was in place before our government. But do you not think that the timetable for the withdrawal of the troops should not have been agreed to? The way it turns out is that it begins in December and throughout the whole of the winter these troops will be withdrawn onto the territory of our oblast, to Saratov, Astrakhan, and other oblasts and other military districts.

It will be winter, winter conditions, and we are artificially placing our servicemen and members of their families in the position of poor relations. This is my first question: Is it not possible to review this withdrawal timetable and postpone it until the spring as would be done in a civilized world?

Here is my second question: the fate of the 8th Army. [passage omitted: on the glorious history of the 8th Army] Is it not possible to examine the question of the disbandment of the 8th Army again, to preserve it, and return it to Volgograd Oblast? Thank you.

[Gaydar] First, on the timetable for the withdrawal of the troops. In general, this is a rather delicate question which is rather difficult to re-open when it has once been agreed upon. Our partners are rather cautious about this, and, in general, it must be said that their caution in this area is quite understandable. Furthermore, I would call attention to two more circumstances. In the first place, at the present time the cost of maintaining our troops on German territory is incredibly, ruinously expensive, bearing in mind that it has to be paid in convertible currency.

Therefore, at present the government together with the Ministry of Defense is drawing up a decision aiming in quite the opposite direction, to provide additional increases, the maximum possible increases, to the funds allocated for constructing housing and providing facilities for servicemen here so as to speed up as much as possible the rate of withdrawal of our troops from outside Russia. It is a very difficult task. As you know, we have to withdraw approximately 220,000 servicemen in all, 100,000 officers, and they have to have somewhere to live. Nonetheless, the sooner we do it, as much as it is possible to do so, the better it will be. In the second place, concerning what you have said, as far as I know a decision has already been made not to disband the 8th Army, although I should check up on this. There is no doubt at all that we will be glad if, in cooperation with the administration and the council of Volgograd Oblast, we succeed in accommodating the significant numbers of troops that are being withdrawn to its territory. Finally, as concerns.... [changes thought] Well, I can only lend my support as far as the last question is concerned. Thank you.

[passage omitted: Deputy Ispravnikov is interested in future government tactics—indexation of assets, privatization.]

[Gaydar] As far as privatization and indexation of assets and privatization vouchers are concerned—in the first place, indexation of assets will, of course, lead to an increase in costs, but it does have to be said that in connection with the sharp disparities in the general level of prices and the value of assets, amortization charges, their proportion in overall cost, have declined radically in the course of this year, amounting now to just over one percentage point. That is why an increase, simply up to a normal level, well, it will increase costs by, say, between nine and 10 percent but, at the same time, it will create the necessary preconditions for enterprises to get the normal production processes under way.

Here, naturally, the question arises as to how to correlate the new prices for basic assets with the cost of a privatization voucher rated at the old prices. In this connection, we were forced to adopt a decision not to break the privatization mechanism which had already got through the Supreme Soviet and which had been reflected in the adopted program. We adopted a decision whereby we take out the revaluation from the privatization mechanism and—based on everything which goes to make up the 1992 privatization program, and not only with regard to what will happen in 1992, of course, but also

those 4,500 joint-stock companies which are being privatized in the 1992 program—we will assess the basic assets as though we had not carried out a revaluation for 1 October.

Now, the second thing: On the matter of the potential inflationary effect of a drift of vouchers, a drift of privatization vouchers on to the market. Well, unfortunately, it is virtually inevitable. It is virtually inevitable, because, indeed, a section of the population will without doubt sell their privatization vouchers and use this cash to purchase some of the more important goods in day-to-day demand, in other words, products which are in nationwide daily use, and, in this connection, unfortunately, an additional drift of inflation on to these markets is rather inevitable. But I have to say that, in part, these are markets of those goods where price movements have to a considerable extent been predetermined by prices for the 1992 harvest which have already been fixed, and we will not be doing anything with butter, milk, kefir, or sausage meat outside the framework predetermined by the harvest. So, in a certain sense, this will simply enable us to adapt and to take into the economy those prices which have been fixed or have been made out for grain marketed from the 1992 harvest.

[Ispravnikov] Thank you.

[Khasbulatov] Microphone three, please.

[Unidentified deputy] Esteemed Yegor Timurovich, the government decision of 11 August, No. 576, which introduced a maximum coefficient based on the level of profitability, is well known. I would like to ask this question: How do you explain, what are your arguments for those coefficients which have been introduced? One example—and this is clear—is of an enterprise, a manufacturer, which processes, say, meat—in particular, the Tikhoretskiy meat combine. It is truly a monopoly which manufactures meat baby foods. It has an established level of profitability of a maximum of 10-20 percent, whereas an enterprise providing everyday services has a maximum profitability level of 50 percent. This is what they are asking: Why are there such perks created for supply and service enterprises and organizations, at the expense of producers?

[Gaydar] Primarily, it has to do with the different degree to which the cost price of fixed assets is reflected in the price of these enterprises' products and services. Trade is an industry with a huge turnover and very limited fixed assets. If, say, we start regulating profit margins in terms of cost price then we will have to keep it at about 1.5 percent and the impression will be that we are discriminating against, say, agents and brokers. We could start regulating profitability in relation to assets, but the thing is that cost price is still essential for turnover, because interest has to be paid on loans, et cetera. Then we would be discriminating against other consumers who have a greater correlation between fixed assets and cost price. So these are the ideas and calculations that mainly lie behind this. If you think that there are errors in the resolution and discrimination against one industry or another, then let us take a look at it together with the State Prices Commission and see how justified it all it according to their calculations.

[Unidentified deputy] The important thing is not to drive enterprises into a corner.

[Skudnov] Constituency 349, Nizhniy Novgorod. [passage omitted: says fall in industrial output worse than officially stated] Tell me please, are there any measures that you envisage to at least stop production from falling?

[Gaydar] Well, in a sense this is what we have been talking about. First, index-linking of fixed assets, which will allow an increase in investment demand from 1 October. Second, a program for conversion that will allow us to use the most critical and currently underutilized capacities of the military-industrial complex. Third, on this basis begin moving to boost the investment sector, restore investment demand, and in this way boost the entire range of industries that dictate investment demand. This in my view is what we can realistically do to stabilize industrial output. Attempts to tackle the job of stabilizing industrial output head on, so to speak, will only sharply increase the volume of money in circulation, which is what many of our opponents are suggesting. Within our economic framework this would be dangerous because the normal reaction will be not an increase in output but simply a rapid acceleration in the rate of price rises.

[passage omitted: Khasbulatov calling next questioner, Deputy Gurevich]

[Gurevich] Deputy Gurevich, national territorial constituency 5. [passage omitted: run down on documents signed with Lithuania in Moscow on 8 September. On 21 September the Supreme Soviet Committee for International Affairs and Foreign Economic Ties concluded that the document on residence makes Russian military units in Lithuania like prisoners. The dateline, 31 August, specified for the withdrawal of Russian troops took many, including the Russian Foreign Ministry, by surprise.]

First, can you explain who in the final count actually shapes the policy on such serious issues in our state? The second question is how one can hold talks successfully, let us say with the other Baltic states, if the whole world is gasping at what I would call our concessions. We simply forget our state obligations in many cases.

The third question refers to the Foreign Ministry. Well, it is known that it is very difficult to train cadres for the Foreign Ministry. Our Foreign Ministry—and one may regard it from different points of view—found itself in an extremely difficult position today, and particularly the staff of institutions abroad. Today our embassies and other institutions abroad owe companies up to $17

million for electricity, telephones, and other things. [passage omitted: comments on this situation]

On 21 September the deputy foreign minister told us that he has received no reply to his numerous appeals to the Ministry of Finance. At the same time a number of ministries and departments which have institutions abroad do not generally speaking experience a shortage of foreign currency. Please answer the question of why this is, too? Thank you.

[Gaydar] As for the first question on the agreement with Lithuania, the talks.... [changes thought] I find it somewhat amazing that somebody from the Foreign Ministry said that they had nothing to do with that [words indistinct]. Well, so, that is clear. Two of our departments held talks with Lithuania—that was the Ministry of Defense—it held these talks directly, and then there was also the Foreign Ministry, too. Well, the text which was put forward was agreed upon with the Foreign Ministry. The acceleration of the schedules to 31 August, as far as I know were agreed with the Ministry of Defense and I have to say once again that I would not regard that as a major concession on our part. It should be clear that today our servicemen in the Baltics are our hostages in the Baltics, and nobody has a greater interest than we ourselves in taking them as quickly as possible out of the conditions which they are placed in there. This is the objective logic of life and of the attitude of the local authorities to them, and so on.

Second, as far as unnecessary concessions are concerned, well, it is namely because of this that I cannot agree. Well, there really sometimes are unneccessary concessions in our country in foreign policy, but as far as the schedule of the withdrawal of our troops is concerned, I simply do not consider that a matter for trade. We ourselves have a greater interest than anyone else in it being as tight as possible. Incidentally, I have to inform you that we need these troops in Russia in a certain sense, including in the hot spots which are arising today, speaking of Lithuania specifically, of the Kaunas division.

Now on the last point, on the $17 million. I have to say regarding the debts of the Foreign Ministry that the deputy foreign minister evidently has not informed you that the government has set the Foreign Ministry very tough tasks connected with cutting financing in our excessively inflated foreign economic sphere. Today, we cannot permit ourselves to have 140 embassies throughout the whole world as the Soviet Union did when it had $20 billion of oil income to draw upon. We simply cannot afford it today. The foreign political structure of the Foreign Ministry costs us today, at real exchange rates, more than the whole state apparatus of Russia. That is simply—well, it is clear that our country cannot and does not need to have a presence everywhere. It is clear that it should be reinforced more in some key directions and that there should not be a linear approach. Let us say embassies should be made bigger in Washington or in Beijing. But of course, the program of substantial cuts in our expenditure on foreign political activity is absolutely necessary and the government has set the Foreign Ministry such tasks. For instance, the Ministry of External Relations is coping rather well with the tasks which it has been set, and so it is not experiencing any serious difficulties with financing. The Foreign Ministry is carrying out this work very slowly so far and hence the serious financial difficulties there.

[passage omitted: Khasbulatov invites another deputy to speak, deputy speaks]

## Gaydar Urges Honesty From Deputies in Debate

*LD2409091192 Moscow Russian Television Network in Russian 1824 GMT 23 Sep 92*

[Statement by Acting Prime Minister Yegor Gaydar at the Supreme Soviet session in Moscow on 23 September; from the "Report From the Russian Supreme Soviet" program—recorded]

[Text] Esteemed people's deputies: I will be very brief, and, of course, I will not sum up the results of the debate—that would require an endless amount of time. I understand full well the emotional tone of many speeches, eventuated by the really difficult situation in the country, which is fully understood by the government. I merely want to urge you to be truthful when you discuss such difficult problems; to put it simply, I would urge you not to lie.

When esteemed Sergey Nikolayevich Baburin says that more than 30 regions of Russia refuse to pay taxes, does he not really know that this is not the case at all? Does he not know that as of today taxes are not being paid in the Chechen Republic and Bashkortostan. There were problems in Tatarstan and Yakutia, but they have now been settled. Hence, there are only two regions, not 30, with which we are now having problems. We are very close to an agreement with one of them. All the other regions accurately pay their taxes to the federal budget.

When Mikhail Ivanovich Lapshin, whom I deeply respect, speaks I cannot, of course, imagine that the leader of our agrarian group of deputies does not know the difference between bunker-weight grain and barn-weight grain. That would be too strange. Therefore, when I speak about 96 million tonnes barn-weight I naturally compare this with the 89 million barn-weight that was harvested last year and not with the 97 million tonnes in bunker-weight that was harvested last year. I am absolutely convinced that Mikhail Ivanovich cannot but know such things. This means, therefore, that he is deliberately deluding our deputies. That is all I want to say esteemed deputies. Thank you.

## Defense Ministry Prepares Troop Withdrawal Plan

*OW2409014992 Moscow INTERFAX in English 1724 GMT 23 Sep 92*

[From "Presidential Bulletin"—following item transmitted via KYODO]

[Text] Russia's deputy defence minister, General Gromov, in a speech to parliament on Wednesday [23 September] said the defence and foreign ministries and government departments had prepared an integrated government programme for the withdrawal of troops stationed abroad and construction of housing for arriving servicemen. The paper is to be sent to the president and parliament after being scrutinised by the government.

The general put the number of troops stationed abroad at more than 230,000, including 70,800 officers, 50,000 units of equipment and weaponry, and 1.8 million tonnes of hardware and ammunition. Defence ministry estimates put the number of officers and dependents having no accomation in Russia at more than 50,000.

General Gromov stressed that the schedules of troop withdrawals were being observed as agreed: The Western Group (Germany) is to be withdrawn by the end of 1994.

Northern Group (Poland)—by November 19,1992, with part of the contingent to remain to help recultivate deployment sites until the middle of 1993.

Troop withdrawals from Mongolia are almost complete.

North-Western Group (the Baltic States) are to be pulled out by the end of 1994, although the final date is subject to bilateral negotiations between Russia and each of the Baltic states.

Troop withdrawals from Lithuania are to complete by September 1, 1993.

Russia's 14th Army (Transdniester) is to be pulled out within the next two or three years following internal stabilisation and the completion of its peacekeeping mission.

The integrated plan also provides for the construction of housing for arriving servicemen. By now, one garrision town has been built, with two others nearing completion. Russia reached agreement with most of the countries where its troops are deployed about their involvement in the housing projects for the servicemen. Appropriate orders have already been placed abroad and foreign companies are expected to put up a total of 24 garrison towns.

Additionally, the Russian defence ministry is planning to build 125 blocks of flats and three hostels. However, the general gave no detail of when the housing project would be implemented or how much it would cost.

## Parliament Postpones State Organs Debate

*OW2409004992 Moscow INTERFAX in English 1913 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] On Wednesday [23 September], the Russian parliament postponed for a week its discussion of the draft law designed to protect the constitutional state organs' power due to a lack of unity among the deputies. The draft was returned to the Supreme Council by the President.

In a memo to parliament, the president remarked that several of the law's articles contradicted the constitution of the Russian Federation. For example, the law introduces new concepts for the existing legislation—"parallel power structures", "organs which confer the executive powers of the state power organs on themselves". The memo recommended that the "Constitution of the Russian Federation should not authorise any such 'parallel structures' and should not outline the procedure for their formation, thus rendering the deed legally meaningless". The matter of conferring executive powers was, according to the president's interpretation, "a matter for constitutional supervision, the functions of which would be taken on by the Constitutional Court". The president proposed that parliament should "reject the law altogether in view of its unconstitutional nature".

Meanwhile, Russian Justice Minister Nikolay Fedorov, speaking at Wednesday's session, said that, together with the draft law on defending the constitutional organs of state power, the president had also returned ten other draft laws to parliament, including laws on hard currency regulation and supervision, on defence, on fiscal policy and on other areas.

## Deputies Approve New Version of Defense Law

*OW2409103992 Moscow INTERFAX in English 1012 GMT 24 Sep 92*

[Following item transmitted via KYODO]

[Text] The Russian parliament has approved the new version of the law on defence adopted on June 26 and returned by the president for additional scrutiny.

Aleksandr Kotenkov, the president's representative and the head of the State Legal Department acquainted the parliament with Boris Yeltsin's proposals. The parliament accepted Yeltsin's proposal to exclude the words "by agreement with the parliament" from the provision dealing with the president's right to appoint the defence minister and his deputies, the chief of the General Staff and his deputies and other top-ranking officials. On the initiative of Deputy Sergey Polozkov, representing the centrist faction "Smena - New Policy", the parliament accepted the amendment which says that this article of the law will go into effect following the adoption of a new Constitution.

The parliament also accepted Yeltsin's amendment according to which the parliament shall approve the composition, structure and strength of the armed forces on the recommendation of the president, not the government as the old version envisaged.

The president's amendment which says that "defence involving armed methods of struggle" may involve the forces of the Security Ministry, of the president's Federal

Agency for Governmental Communication and Information, and of the Chief Security Department, was turned down. The parliament only agreed to add civil defence troops to the list of forces that can be used in defence operations.

## Regional Affairs

### Chechen Leaders Support Cooperation With Russia

*OW2309202592 Moscow INTERFAX in English 1618 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] Chechen President Dzhokhar Dudayev and Chairman of the Chechen Parliament Husayn Akhmadov expressed their interest in Russian-Chechen collaboration in those areas which were topics of bilateral negotiations in Moscow Tuesday [22 September].

In a letter sent to Russian President Boris Yeltsin Wednesday Chechen leaders announced that their support shaped up during the Russian-Chechen negotiations in a spirit of mutual understanding.

Dudayev and Akhmarov welcomed the agreement reached in Moscow on the establishment of a two-sided joint commission. According to the leaders of the Caucasian republic, the commission should first develop measures to secure the political stability between Chechen and Russia and to promote the development of economic, trade, and socio-cultural relations on the level of state powers and administration, as well as banks and financial systems, enterprises, and so on. The letter states that "the channels of domestic relations, trade exchange, all forms of ties and transportation, and matters of economic and information cooperation should be regulated by special agreements."

The letter stressed the need for both sides to take on the responsibility to "not use destabilizing or harmful one-sided measures in relation to one another" and should strive to "promote the success of the negotiations process in every way."

### Dudayev Invites Rutskoy to Visit

*OW2309201892 Moscow INTERFAX in English 1617 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] President of the Chechen Republic Dzhokhar Dudayev invited Russian Vice President Aleksandr Rutskoy to visit Chechen from the 3rd to the 5th of October.

In a letter sent to Rutskoy Wednesday [23 September], Dudayev expressed his satisfaction with the constructive spirit of the negotiations between delegations from the Chechen Republic and the Russian Federation in Moscow Tuesday.

"I'm sure that the upcoming meeting in Groznyy and the dialogue will strengthen the planned mutual understanding and develop bilateral cooperation in the interests of our nations," stressed Dudayev.

Deputy Chairman of the Russian Supreme Soviet Yuriy Yarov will arrive in Groznyy Thursday by invitation of the Chechen Parliament. In an interview with INTERFAX he proposed that details of the agreement on the delimitation of powers between Chechen and the Russian Federation be worked out during his trip.

### Russian Prosecutor Detains Caucasus Leader

*OW2309234092 Moscow INTERFAX in English 1913 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] On Wednesday [23 September] morning, in the city of Nalchik, capital of Kabardino-Balkarskaya (a Russian republic in the North Caucasus), president of the Confederation of Caucasian Peoples Yuriy Shabinov was detained by representatives of the Russian general prosecutor. The report came from the headquarters of the Kabardian People's Congress. No information has been received about the motives for the detention.

The Confederation had been an ally of Abkhazia and had taken part in military activity against the Georgian State Council troops. Russia had condemned the Confederation's intervention in Georgian affairs, and the Russian general prosecutor had, in view of this, sought to prosecute certain of the Confederation's activists due to the fact that the Confederation was a public organisation acting in excess of its status.

According to information received, at 19:00 hours in Nalchik, confrontation was mounting outside the Kabardino people's Congress and near the appartment block where Shabinov resides. Over 100 representatives of the Congress are standing outside Shabinov's flat, where 3 busloads of riot police have also arrived.

The supporters of the Congress say that Shabinov's detention must be viewed as "an act of provocation made in an attempt to create a state of emergency throughout the whole of the North Caucasus."

Information received from the Congress headquarters indicates that Shanibov has been removed, either to Rostov or to Moscow.

## International Affairs

### Enterprises May Cut Supplies of Goods to Russia

*OW2409014092 Moscow INTERFAX in English 1913 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] Ukrainian enterprises will be forced to cut supplies of goods to Russia unless the question of debts of Ukrainian and Russian enterprises to each other is resolved in the near future, Ukrainian Deputy Finance Minister Vitaliy Ilyin told IF [INTERFAX] Wednesday [23 September]. These debts amount to 900 billion rubles. In Ilyin's opinion, "the question of indebtedness between Ukraine and Russia is close to being solved".

Bilateral talks on this issue started in the National Bank of Ukraine September 23. They are expected to last until Friday [25 September]. The Ukrainian delegation is led by first deputy of the Chairman of the National Bank of Ukraine Nikolay Sivulskiy. The Russian delegation includes adviser to Chairman of the Central Bank of Russia Valeriy Savanin and deputy chairman of the Central Bank of Russia Vyacheslav Solovov.

### Zlenko Consults With Delegation Leaders at UN

*OW2209182292 Moscow INTERFAX in English 1501 GMT 22 Sep 92*

[Report by diplomatic correspondents Andrey Borodin and Vyacheslav Terekhov; from the "Diplomatic Panorama" feature; following item transmitted via KYODO]

[Text] The Ukrainian Foreign Minister, Anatoliy Zlenko, who is taking part in the 47th session of the UN General Assembly met with leaders of delegations representing different countries.

During his meeting with the Foreign Minister of Greece Mikhail Papakonstandinou the head of the Ukrainian diplomacy discussed issues related to expanding political-legal basis for further cooperation of the two states, speeding up development of a draft agreement on friendship and cooperation, in particular, in the Black Sea region.

Prospects of economic, scientific, and cultural relations were the main points to be discussed at the meeting of the Ukrainian diplomat with the Israeli Foreign Minister Shimon Peres. They reached an agreement that in the near future a group of experts will begin to develop draft projects of corresponding documents. The ministers studied a possibility of exchange by Ukrainian and Israeli delegations at the highest level.

The meeting of the Ukrainian Foreign Minister with the Chinese Foreign Minister Qian Qichen reconfirmed the willingness of both sides to develop bilateral relations on the basis of generally recognized standards of international law. The ministers discussed practical issues concerning the forthcoming visit of the Ukrainian President Leonid Kravchuk to China. A number of important interstate agreements are supposed to be signed during this visit.

The German Foreign Minister Klaus Kinkel and Zlenko focused their attention on possible directions of political and economic cooperation between their countries. The ministers studied several problems connected with migration of ethnic Germans living on the territory of the former USSR to Ukraine. They also discussed the issues related to the forthcoming visit of Chancellor Helmut Kohl and Foreign Minster Kinkel to Ukraine.

### Navy Commander on Black Sea Fleet Agreement

*LD2209145392 Moscow ITAR-TASS in English 1442 GMT 22 Sep 92*

[By UKRINFORM correspondent Mikhail Stetsyuk for TASS]

[Text] Sevastopol September 22 TASS—"The Black Sea Fleet should be under command of a person who would meet the demands of both Ukraine and Russia," Ukrainian Navy Commander Boris Kozhin said on Tuesday [22 September].

In an interview with the newspaper "SLAVA SEVASTOPOLYA" (The Glory of Sevastopol), Kozhin commented on the results of the recent talks in Moscow between the Ukrainian and Russian delegations set up to settle the dispute over the Black Sea Fleet.

Kozhin said the delegations reached an agreement on a dual command of the Black Sea Fleet. This means that the Black Sea Fleet commander to be appointed by Ukrainian President Leonid Kravchuk and Russian President Boris Yeltsin will have two deputies, one for Ukraine and the other for Russia, Kozhin explained.

### Crew Protests 'Fabrications' by Admiral Kasatonov

*AU2409115092 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 24 Sep 92*

[Text] The crew of the escort vessel (?STR)-112, which in the summer of this year got over from the Crimea to Odessa, where it remains at present, has appealed to the personnel of the Black Sea Fleet and to the editorial board of the newspaper FLAG RODINY [Flag of the Motherland]. In the appeal attention is focused on the fact that Admiral Kasatonov, jointly with the command of the fleet and with the aforementioned newspaper, are spreading various fabrications and totally false information about the ship and its crew. At the same time, the document reads, human rights are being violated in the fleet and the arbitrary rule of Kasatonov and his associates prevails.

However, everything is quiet on the ship (?STR)-112 and scheduled training is continuing. It is stressed in the

appeal by the Ukrainian seamen that everyone has a moral and juridical right to make his own choice. In the near future, ships flying the Ukrainian and St. Andrew's flags will serve in the Black Sea. (?We hope) that Ukrainian and Russian ships will always meet at sea as old friends, reads the appeal.

### Europeans Hold 'Frank' Talks With Kravchuk

*LD2309213692 Moscow ITAR-TASS in English 1709 GMT 23 Sep 92*

[By UKRINFORM correspondent Anatoliy Grigoryev for TASS]

[Text] Kiev September 23 TASS—Ukrainian President Leonid Kravchuk today received a Europarliament delegation headed by Magdalene Hoff.

During the open and frank meeting, the delegation members shared their impressions on the Kiev visit, and stressed the important role of inter-parliamentary relations in the development of bilateral cooperation.

Preparations of a new Ukrainian constitution were discussed in detail. Kravchuk told the delegation about a great work done to elaborate the draft document, noting Ukraine wants to have such a fundamental law to not be re-written as it once has been in the Ukrainian history.

The Ukrainian president answered to the delegation's questions.

### Meet Supreme Soviet Chairman

*LD2309222092 Moscow ITAR-TASS in English 1712 GMT 23 Sep 92*

[By UKRINFORM correspondent Alexey Trotsenko for TASS]

[Text] Kiev September 23 TASS—The three-day visit of a Europarliament delegation to Kiev was filled with important meetings and negotiations.

Today they were received by Ukrainian Supreme Soviet Chairman Ivan Plyushch for a friendly and frank conversation focussing on prospects and forms of cooperation between the European and Ukrainian parliaments.

Plyushch said they are thankful to the delegation members for their interest in Ukraine and intention to render assistance in Ukrainian transition to the market system.

Delegation head Magdalene Hoff stressed the Europarliament seeks to learn better the political and economic situation in Ukraine so that to take a specific decision on assistance to be rendered.

Upon the meeting completion, Hoff passed over to Plyushch samples of the new European currency of ECU. Let the new money signify the seriousness of the Europarliament's intention as regards Ukraine. She said they hope Ukraine will also use this money in future.

A joint session of the Europarliament delegation and representatives of the Ukrainian Supreme Soviet standing commissions discussed a wide range of issues.

Meetings the guests had at the republican foreign and finances ministries were saturated as well.

### Ethnic Bulgarians Meet With Foreign Delegation

*AU2309114192 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 23 Sep 92*

[Text] The visit to Ukraine by a Bulgarian official delegation headed by Bulgarian Vice President Blaga Dimitrova is continuing. The purpose of the visit is to get to know the conditions in which Bulgarians live in Ukraine. The guests have already visited places where representatives of these people reside in the south of Zaporizhzhya Oblast—in the town of Berdyansk. In Odessa Oblast, Bolgrad Rayon whose population consists of Bulgarians and the Gagauz was of particular interest to the Bulgarian delegation.

A news conference was held. The Bulgarian residents of the Ukrainian Black Sea region asked about a possibility of creating Bulgarian national autonomous okrugs on the territory of Ukraine, about the problem of double citizenship, about the development and strengthening of ties with Bulgaria, and a number of other questions. The Bulgarian vice president and the members of the official delegation tried to give comprehensive answers to all questions that arose in the course of the meeting.

## National Affairs

### Minister Bids for $1.5 Billion in IMF Credits

*LD2409132592 Moscow Radio Rossii Network in Russian 1600 GMT 19 Sep 92*

[Text] Ukraine is hoping to receive a credit of $1.5 billion from the IMF in order to stabilize the hryvnya. At least this was the figure announced in Brussels by Ukraine Finance Minister Grigoriy Pyatachenko, the NEGA agency reports.

In its turn, the IMF put forward the following conditions for giving aid: The main clauses of the program for economic reform in Ukraine must be implemented within 70 days of being adopted. Ukrainian Prime Minister Vitold Fokin promised to present such a program to parliament for examination on 28 September.

### Supreme Soviet Views Enterprises, Foreign Accords

*PM2409085192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Sep 92 p 2*

[Report by O. Musafirova: "Number of People Concerned Over Kurils Question Increases"]

[Text] Kiev—The economic laws being considered by the Ukrainian Supreme Soviet continue to be ill-starred.

One of the most pressing documents—the law on enterprise—was not adopted at its second reading. On this occasion the trouble was the wording of the second article prohibiting people's deputies from carrying on an active entrepreneurial life. Deputies who are leaders of leasehold firms and their colleagues who have also succeeded in starting their own business were particularly resentful: Just how can an honest business now be established by personal example? A theoretical argument has also arisen: Should a deputy who in his spare time saws up wood and sells the result on the market be deemed an entrepreneur? It was decided by a majority of votes first of all to give a clear definition of enterprise as such and then return to the law.

True, as a parting shot Ivan Zayets, who submitted the document from the commission for questions of economic reform, managed to shout into the microphone that everything that had taken place was shameful and the waste of resources must no longer be tolerated, but he was sent back to his seat by Ivan Plyushch, the speaker of parliament and the session chairman.

The discussion of the range of proposals on the ratification of a whole series of international agreements passed off more calmly. Ukraine acceded the 1978 Vienna Convention (currently in abeyance) and the 1959 Antarctic Treaty. In accordance with the latter, the republic is laying claim to one of the former USSR's 12 polar scientific research stations. The Academy of Sciences, Foreign Minister Anatoliy Zlenko reported, has already notified Russia of its intentions to divide up the jointly acquired property.

Generally, the longer the Union's legal legacy continues, the more pressing it becomes for Ukraine. According to Minister A. Zlenko, Ukraine "immediately and practically simultaneously with Russia declared this intention at a CIS conference and sent notes to this effect to many states. So far without result, however. We have spent assets—the currency and diamond fund has received only debts...." That is why the question put to the minister by Academician Igor Yukhnovskiy, who once ran for president, was greeted with interest in the hall. Igor Rafailovich spelled it out: Could Ukraine receive part of the compensation from Japan if Russia gives up the disputed Kuril islands? After all, during World War II we defeated Japan together....

## Servicemen Request Transfer to National Forces

*AU2309114492 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 23 Sep 92*

[Text] As has become known from reliable sources, since the beginning of the year, more than 40,000 written applications and notes have been submitted to Ukraine's Defense Ministry requesting transfer of our compatriot servicemen to their fatherland. More than 22,000 persons are now receiving replies. In accordance with the Dagomys Agreements and the Protocol on the Accords between the Defense Ministries of Ukraine and Russia, almost 16,000 decisions on the transfer to the Armed Forces of (?Ukraine) have been issued by 20 September.

## Crime Statistics for First Half of 1992

*AU2409073992 Lvov ZA VILNU UKRAYINU in Ukrainian 8 Sep 92 p 4*

[Unattributed report: "Crime Is on the Rise"]

[Text] An analysis of crime statistics has shown that crime and conviction in Ukraine continue to rise. Over the six months of 1992, organs of the Internal Affairs Ministry have recorded 235,816 crimes; this is 18.7 percent more than the corresponding period of 1991. Among them, the number of serious crimes has increased from 27,318 to 38,703, or by 41.7 percent. The number of persons convicted over this period exceeds 60,000.

Of the total number of recorded crimes, criminal proceedings have only been initiated on a quarter of the crimes. Such a difference may be explained by the low level at which the crimes are disclosed and by the fact that a considerable number of persons are freed from criminal responsibility, as measures of public influence are considered sufficient in their case. The courts have cleared 770 persons, which constitutes 1.3 percent of the total number of those convicted.

Crimes for profit continue to prevail in the structure of convictions—thefts of personal, state, and public property, and robberies. The number of persons convicted for premeditated murders and for causing grave bodily harm remains high. Convictions for crimes associated with narcotic substances have grown in number.

Almost 37 percent of those convicted are young people aged up to 24 years. Minors constitute 11 percent of the total number of persons punished by the court.

## Decree Orders AIDS Insurance for Health Workers

*AU2409130392 Kiev Radio Ukraine World Service in Ukrainian 1200 GMT 24 Sep 92*

[Text] Ukraine's Cabinet of Ministers has adopted a decree on introducing compulsory state insurance from AIDS for medical and pharmaceutical personnel. This insurance is necessary in the case medical workers who contract the human immunodeficiency virus [HIV] while fulfilling their service duty. Insurance dues will be paid at the rate of 0.5% and 0.25% of the minimum wage. In addition to this, if infected by HIV, persons who have been insured will receive insurance money totalling 10 times the minimum wage. In the case of disability resulting from AIDS, 50 times the minimum wage will be paid.

## Kazakhstan

### Nazarbayev Completes Official Visit to Germany

*LD2309180892 Moscow ITAR-TASS in English 1600 GMT 23 Sep 92*

[By KAZTAG special correspondent Amangeldiy Akhmetalimov and ITAR-TASS correspondents Sergey Sosnovskiy and Aleksey Korinenko]

[Text] Stuttgart September 23 TASS—Kazakh President Nursultan Nazarbayev today completed his official German visit, after spending the last day in Stuttgart, the capital of the Baden-Wurttemberg land.

The Kazakh president visited world-famed Daimler-Benz car-building concern. Nazarbayev and head of the Mercedes-Benz AG firm board Werner Niefer told correspondents they reached an essential agreement on cooperation: Mercedes buses will be assembled in Alma-Ata.

Nazarbayev said Kazakhstan seeks broader cooperation with the concern: The country could not only assembly the buses, but also involve in high technologies, electronic equipment and space exploration.

When meeting Baden-Wurttemberg Prime Minister Erwin Teoffel, the sides exchanged opinion on the most topical problems now solved in the German land and in Kazakhstan.

Kazakh president's wife Sara Nazarbayeva got acquainted with the German cultural life, went to concerts and exhibitions. She also went for a walk in downtown Bonn, Cologne and Stuttgart, met representatives of charity organizations and visited a children's hospital to inquire about the organization of children's health care.

### Nazarbayev Arrives in Paris on State Visit

*LD2309173392 Moscow ITAR-TASS in English 1604 GMT 23 Sep 92*

[By ITAR-TASS correspondents Alexander Krivykh and Yuri Lopatin]

[Text] Paris September 23 TASS—Kazakh President Nursultan Nazarbayev arrived here today on a state visit.

During four days the Kazakh leader will hold negotiations with French President Francois Mitterrand, Pierre Beregovoy and Paris Mayor Jacques Chirac, meet representatives of the French business community and tour the country.

After meeting the French president at the L'Elysee Palace, Nazarbayev will sign the Paris charter for new Europe. Today will also witness the signing of a French-Kazakh treaty on friendship, cooperation and mutual understanding.

## Tajikistan

### Iskandarov Decrees Stabilization Measures

*OW2309134292 Moscow INTERFAX in English 1258 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] The acting president of Tajikistan Akbarsho Iskandarov ordered to form a joint headquarters of law enforcement bodies in Kurgan-Tyube (south of Tajikistan). Control-passing points which have the right to open fire are to be set in the zones of tension. To assure public order volunteers from enterprises will be drawn along with the Internal Ministry's forces and the 201st motor-rifle division of the Russian forces.

Iskandarov ordered the Internal Ministry, Committee on national security, and Tajik prosecutor's office to make militiamen answerable for loss or volunteer handing over their weapons.

Additional measures were needed as attempts of the state bodies aimed at ceasing the armed conflict between the political groupings of different orientation "are fruitless", the decree states.

The government is also to work out an order for foreign journalists' accreditation, to coordinate the work of information agencies and of correspondents reflecting political events in the republic and to solve the issue on disrupting information isolation of the republic.

### Joint Meeting Approves Dushanbe Security Measures

*LD2309194192 Dushanbe Radio Dushanbe Network in Tajik 1700 GMT 23 Sep 92*

[Excerpt] A joint meeting of the Homeland Salvation Headquarters, the leadership for internal affairs, the city branch of the National Security Committee, and the Executive Committee of the city of Dushanbe was held today in the Executive Committee of the city of Dushanbe. The participants examined ways of ensuring citizen security and signed an agreement.

In accordance with this agreement, beginning 24 September of the current year, observation posts will be established in important points of the city of Dushanbe with the participation of the bodies mentioned in the agreement. Similarly, permanent and flying squads will be created in the city in order to prevent crime and to fight against the violators of public order, profiteers, thieves, hooligans, troublemakers, and persons aiming to increase tension in the city. From now on, all cars without license plates, [words indistinct] and without documents will be stopped. [passage omitted]

### Gunfire Continues in Kurgan-Tyube Suburbs

*LD2309205192 Dushanbe Radio Dushanbe Network in Tajik 1700 GMT 23 Sep 92*

[Excerpt] Our correspondent reported from Kurgan-Tyube city today that gunfire is still continuing in the suburbs. The situation remains complicated in Kuybyshev, Dusti, and Karl Marx farms, the Sabzavot collective farm, Bakhtar rayon, and the first branch of Kirov collective farm. According to the report, six people were killed from one side alone and dozens wounded. [passage omitted]

### Clashes Continue; Refugee Flow Increases

*LD2309143392 Moscow ITAR-TASS in English 1338 GMT 23 Sep 92*

[By ITAR-TASS correspondents Vladimir Gondusov and Galina Gridneva]

[Text] Dushanbe September 23 TASS—Armed clashes continue in Kurgan-Tyube region. According to local analysts, the situation is aggravated by the fact that there are several strategically important installations in the area of hostilities, including the Nurek hydropower plant, the Vakhsh nitrogen fertiliser factory and several bridges. The consequences could be catastrophic in the event of sabotage. This compelled the republican National Security Committee to recommend the government to set up additional posts at particularly important places.

Attempts are being continued to draw the Russian motorised infantry regiment, deployed in Kurgan-Tyube, into the conflict. According to reports received from its command, threats are being made continuously to capture the military contonement [as received].

The flow of refugees from the conflict zone is increasing. According to Shukurzhon Zukhurov, chairman of the republican Labour Resources Committee, there are now about 50,000 refugees from Kurgan-Tyube region at Kulyab. Hundreds of refugees have also fled to Dushanbe. They were temporarily accommodated at school hostels there.

The criminogenic [as received] situation in the Tajik capital has not improved. According to the press centre of the Tajik Interior Ministry, the number of armed assaults and burglaries, as well as armed car thefts, has not decreased. Criminals make skilful use of the unstable situation in the republic to replenish their arsenals.

There are cases of armed attacks on detachments of the 201st Russian Motorised Infantry Division. Thus, on Tuesday [22 September], a 10-man armed gang launched a daring attack on the contonement of the radio-technical battalion, deployed 15 kilometres away from the republic's capital, ITAR-TASS was told by an officer on duty at that motorised infantry unit. The attackers beat up up the officer on duty and several servicemen, seized a pistol and keys to the room where weapons were stored. The unit was alerted and this prevented the bandits from capturing arms.

Another gang also pursued the purpose of capturing weapons when it stopped a convoy of Russian border guard vehicles on the Shar-Shar mountain pass. However, they were forced to retreat when a helicopter covered the column from the air. The border guards have stated unequivocally that they would rebuff most resolutely all attempts to capture weapons, ITAR-TASS has learned from officers of the Russian border guard task force deployed on Tajik territory.

The local press published today an appeal addressed by the Presidium of the Republican Union of Afghan War Veterans to the leadership, political parties, organisations and people of Tajikistan. It stresses, in particular, that Afghan war veterans, having once witnessed the horrors of a fratricidal war, are experiencing a profound feeling of pain. They are ready to serve as intermediaries between the conflicting sides and to set up neutral peace-keeping forces, made up of Afghan war veterans.

The front for the Homeland's Salvation, headed by Shodmon Yusup, offered its services in the effort to disarm unlawful armed gangs. The front is ready to dispatch volunteers to the conflict zone from Dushanbe and adjoining districts.

Tragic news was received on Tuesday from Kulyab. According to the "KHAVAR" news agency, a group of journalists from CIS countries ran into an accident on the Shar-Shar mountain pass. One Belarusian journalist, Arkadiy Ruderman, lost his life during the car crash. His fellow-countryman Yuriy Gorulyov was gravely wounded. He is now at the central regional hospital and every measure is being taken to save his life.

### Security Head Says Situation Not Hopeless

*OW2409014292 Moscow INTERFAX in English 1913 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] The situation in Tajikistan is "complicated, but by no means hopeless", according to head of the republic's national security committee press service Sayd Rayabov. In an interview with INTERFAX, Rayabov said that the law enforcement organs are putting extra men on duty in the conflict regions.

Rayabov considered that there were not enough forces available in the republic to ensure safety in these regions, but at the same time doubted that CIS peace-keeping forces would have to be introduced. He wanted to avoid a repeat of the "Afghanistan experience" which would arise if CIS troops were brought into direct conflict in Tajikistan.

### Update on Situation on Afghan-Tajik Border

*OW2309214192 Moscow INTERFAX in English 1621 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] The Tajik-Afghan border is no longer "transparent" said chief of staff of the operative group of the Russian border guards troops in Tajikistan, Colonel Valeriy Kochenov, in an interview for INTERFAX. He emphasized that "the right flank of the border will be closed not only on the Tajik side, but on the Afghan side as well". An agreement to effect this was reached at the talks with Lieutenant General Rakhim Pekhlevan, representative of Ahmad-shakh Masud, one of the leaders of the Afghani mojaheddins.

Mr Kochenov also informed that in the course of his inspection trip at the border he had a meeting with Afghani field officer Najmuddin. His troops had just "ejected" the units commanded by Latif from the town of Shekhran. Knowledgeably, Latif, whose troops are organic in the command of Golboddin Hekmatyar, is involved in weapons and drugs smuggling.

In the words of Mr Kochenov, the most tense section of the border is in the Pyandzh district which is not controlled by the government troops on the Afghani side. In the recent week, in that area the Russian border guards curbed a border crossing attempt by fifty people who carried 30 units of automatic small arms. Mr Kochenov also revealed that at the same section of the border Wednesday [23 September], nine persons armed with automatic rifles crossed the border and disappeared in the village Kalininabad. Local residents forced the border guards to stop their pursuit and retreat.

### Afghan Contraband Supplying 10-15% of Weapons

*PM2309133392 Moscow IZVESTIYA in Russian 19 Sep 92 Morning Edition p 1*

[Report by Aleksandr Karpov and Nikolay Burbyga: "Tajikistan: Military Subunits Brought Into Conflict Region"]

[Excerpts] Only 10-15 percent of the needs of the warring political groupings in Tajikistan in regards to combat supplies are accounted for by contraband weapons from neighboring Afghanistan. This was announced at a press conference for Tajik and foreign journalists by D. Aminov, deputy chairman of the republic's National Security Committee.

The lion's share of the weapons are obtained through illegal purchase and sale from military units stationed on CIS territory, and specifically in Tajikistan.

It seems that the supply of weapons from CIS territory to the warring sides in Tajikistan is going to become a major problem, because border guards on the Tajik-Afghan frontier have recently received strong reinforcements and we can now expect an improvement in the fight against contraband, a problem that is all the more acute because armed conflicts in Kurgan-Tyube and Kulyab Oblasts are continuing and increasingly driving the population into an impasse. The lull that appeared at the start of this week was broken by armed provocations on the oblasts' borders, as a result of which more people were killed. The Kulyab Oblast leadership and several public organizations have appealed to the heads of state of Central Asia, Kazakhstan, and Russia to urgently send in CIS troops in order to avert an increase in armed conflict in Tajikistan. [passage omitted]

Our military correspondent Nikolay Burbyga got in touch by telephone with the operational duty officer of the 201st motorized infantry division.

"Our subunits have seized nothing," the duty officer reported. "Our combat vehicles were always stationed in the vicinity of the Nurek Hydroelectric Power Station. As regards the Chermozak Pass and the adjacent regions, we have indeed dispatched several combat vehicles there. However, this was done following a mutual request from the warring sides. We are still sticking to a neutral line."

### Presdient Names New Commander of National Guard

*LD2309155192 Dushanbe Radio Dushanbe Network in Russian 1000 GMT 23 Sep 92*

[Text] By decree of Akbarsho Iskandarov, acting president of the Republic of Tajikistan, Makhmadmurod Saidmurodov has been appointed commander of the National Guard of the Republic of Tajikistan. Makhmadmurod Saidmurodov is a captain.

### Armed Nabiyev Supporters Said Marching to Yavan

*LD2309155892 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1100 GMT 23 Sep 92*

[from the "Novosti" newscast]

[Text] According to a report from Tajikistan, armed supporters of former President Nabiyev have set out from Dushanbe in the direction of the town of Yavan. This is reported by the republic's Interior Ministry. Self-defense detachments intend to halt the progress of Nabiyev's supporters. Opposition forces are trying to seize the territory around the 191st Russian Motorized Infantry Regiment. The settlement of Lomonosovo, where families of servicemen live, has been fired on. By a lucky chance there are no casualties.

## Armenia

### President Addresses UN on Security, Stability

*LD2409041092 Moscow ITAR-TASS in English 1953 GMT 23 Sep 92*

[By ITAR-TASS correspondent Yevgeniy Menkes]

[Text] United Nations September 23 TASS—Armenian President Levon Ter-Petrosyan addressed the 47th session of the United Nations General Assembly on Wednesday [23 September].

Ter-Petrosyan said Armenia's security depends on the normalisation of relations with its neighbours, on the conflict settlement through negotiations and the development of economic cooperation in the region. He reiterated Armenia's readiness to participate in all constructive processes promoting the development of international and political cooperation and stability in the region.

He said Armenia is seeking to play an active role in the Commonwealth of Independent States and the Black Sea region. It is also interested in economic cooperation with the Middle East. The Republic has already signed bilateral agreements with Georgia and Iran and has held talks with Turkey.

Ter-Petrosyan said Armenia has no territorial claims on Azerbaijan. At the same time, Armenia has repeatedly said that people of Nagorno-Karabakh cannot be treated as an ethnic minority without the right to self-determination.

He said a ceasefire is the first step towards ending the war in the disputed enclave. It should be followed by talks between Azerbaijan and Nagorno-Karabakh on the latter's status and then talks between Azerbaijan and Armenia.

Ter-Petrosyan said Armenia is ready to participate in the dialogue with Azerbaijan to achieve peace and stability in the region.

### Meets Foreign Ministers

*NC2309172592 Yerevan Radio Yerevan International Service in Armenian 1530 GMT 23 Sep 92*

[Text] Armenian President Levon Ter-Petrosyan, who is on an official visit to the United States, met with Turkish Foreign Minister Hikmet Cetin at UN Headquarters at noon on 21 September.

The Armenian Republic's press service reported that the prospects for bilateral relations and issues concerning the solution of the Nagorno-Karabakh conflict were examined during the meeting. Both sides expressed the view that at this stage the most important thing is to reach a cease-fire. A number of trade and economic issues also were examined. It was noted that cooperation in these fields would benefit both countries.

Ter-Petrosyan met Russian Foreign Minister Andrey Kozyrev late on 21 September. He met Iranian Foreign Minister 'Ali Akbar Velayati on 22 September, and the Armenian presidential press service reported that they discussed measures being taken to resolve the Nagorno-Karabakh problem. Both sides agreed that a cease-fire should be reached and also discussed the blockade imposed by Azerbaijan and the importance of alternate routes for Armenia.

The Armenian president also met Israeli Foreign Minister Shim'on Peres on 22 September. They discussed issues concerning the development of trade and economic and tourism ties between the two countries.

Ter-Petrosyan met Cypriot President Yeoryios Vasiliou on 22 September. The two leaders touched on matters concerning the development of bilateral relations and the aggravated situation in Nagorno-Karabakh.

Ter-Petrosyan addressed the Foreign Relations Council in New York [words indistinct] the afternoon of 22 September.

Armenian Presidential Press Secretary Ruben Shugaryan held a news conference at UN Headquarters on 22 September for reporters from various foreign news agencies.

Armenian Foreign Minister Raffi Hovannisian is taking part in the 47th UN General Assembly session.

He was invited to the luncheon Turkish Foreign Minister Hikmet Cetin hosted yesterday to honor members of the Black Sea Cooperation Council. The Armenian Foreign Ministry press service reported that during the luncheon, the Armenian foreign minister met Russian Foreign Minister Kozyrev, Ukrainian Foreign Minister Anatoliy Zlenko, and Bulgarian Foreign Minister Stoyan Ganev.

On the same day, the Armenian foreign minister held separate meetings with Danish Foreign Minister Uffe Elleman-Jensen, Italian Foreign Minister Emilio Colombo, and Japanese Foreign Minister Michio Watanabe. Matters pertaining to Nagorno-Karabakh and bilateral relations were discussed during the meetings.

### Cease-Fire Violations, Shelling Reported

*NC2309185492 Yerevan Armenia's Radio First Program Network in Armenian 1730 GMT 23 Sep 92*

[Text] The Armenian-Azerbaijani agreement to observe a cease-fire along the Armenia-Nakhichevan border and Megrinskiy-Zangelanskiy border went into effect at 1500 on 22 September.

While the agreement generally is being observed on the Armenian-Nakhichevan border, the situation is completely different on the border with Zangelanskiy Rayon.

The Armenian Defense Ministry press service informed ARMENPRES that Azerbaijani units shelled border

positions near Nyuvadi in Megrinskiy Rayon between 2230-0045 and 0200-0400 on the night of 22-23 September.

The Azerbaijanis based in [placename indistinct] also shelled Syunik and [placename indistinct] in Kapanskiy Rayon with tanks and howitzers as of 1130 on 22 September. The Armenian side returned the fire.

Azerbaijani tanks, armored cars, (?cannons), and Grad launchers deployed in [placename indistinct] in Kedabekskiy Rayon shelled Armenian positions near Vahan in Krasnoselskiy Rayon for three hours last night. There were no Armenian casualties [words indistinct].

Khndzoresk in Gorisskiy Rayon came under intense artillery shelling from Kubatlinskiy Rayon at 1600 on 23 September. The Armenian forces launched counterattacks. As of 1730, there were no Armenian losses.

The situation has been calm since this morning in the other Armenian border areas.

### Stepanakert Bombed; Lachin Fighting Updated

*NC2309151592 Yerevan Armenia's Radio First Program Network in Armenian 1400 GMT 23 Sep 92*

[Text] The Azerbaijani [words indistinct] again bombed the residential districts of Stepanakert at around 1230 today; a few cluster bombs were dropped on the city. According to the Nagorno-Karabakh Republic [NKR] Self-Defense Forces Headquarters, there are dead and wounded [words indistinct].

The Azerbaijani armed units organized attacks on Chldran in Mardakertskiy Rayon and Edillu in Gadrutskiy Rayon on 22 September [words indistinct]. The Armenian forces are pushing the enemy back to its initial positions. At the same time, the Azerbaijanis shelled Martuni with Grad rockets. Two residents were killed [words indistinct].

According to the NKR Self-Defense Forces Headquarters, Azerbaijani troops and military hardware are being observed massing in Fizulinskiy and Kelbadzharshiy Rayons.

The [words indistinct] military clashes are continuing near the Lachin humanitarian corridor. According to the Armenian Defense Ministry, the NKR defense forces are taking measures to neutralize the Azerbaijani gun emplacements.

In the meantime, humanitarian freight is transported continuously to Nagorno-Karabakh via the Goris-Stepanakert road.

### Manukyan Views Nagorno-Karabakh Defense

*MK2309121292 Moscow NEZAVISIMAYA GAZETA in Russian 23 Sep 92 p 1*

[Report by Armen Khanbabyan under the "Armenia" rubric: "We Will Count On Our Own Forces, Including Military Force"]

[Text] According to Vazgen Manukyan, former Armenian prime minister, who has recently left the opposition and been appointed state minister responsible for national defense, Armenia's stance on the Karabakh crisis may change.

We are still advocating political methods of resolving the conflict, Manukyan stated, but no talks are possible if goodwill is absent on the other side. Azerbaijan, exploiting the vacuum in political and military strength that has formed in the region, is fueling the confrontation in its attempt to wipe out the Armenians of Karabakh. Armenia cannot remain indifferent to what is happening—the destruction of Karabakh would be a national disaster. Doubtless, in time, Baku will also understand the need for talks, but for this to happen every effort must be exerted to ensure that the Nagorno-Karabakh Republic does not fall. Consequently, in the prevailing situation, force is the most important component of policy.

According to Vazgen Manukyan, the most urgent task for the republic today is to create an efficient army, and the people's moral strength as well as the country's economic potential must be utilized for this purpose. He proposed that a body along the lines of the former "people's control" be created to monitor the fulfillment of laws and clamp down on violations, particularly on the part of the power structures. Manukyan does not consider defense and national security to be a suitable field for political struggle and has called for the consolidation of all parties and movements.

Today, the vice premier said, it is clear that hopes of assistance from the international community in resolving the Karabakh problem have been exaggerated, and in the near future we can only count seriously on our own forces and capabilities. However, Vazgen Manukyan nevertheless stressed that he continues to advocate the strengthening of economic ties with Russia.

So, Armenia has announced openly that it will not tolerate a military victory by Azerbaijan over the Nagorno-Karabakh Republic. This means that the scale of confrontation will be broadened. As of 18 September the Azerbaijani Army launched a major offensive on all sectors of the Karabakh front and fighting developed on the approaches to the Lachin corridor, and in Mardakertskiy, Askeranskiy, and Martuninskiy Rayons. Azerbaijani aircraft have again bombed Stepanakert. At the same time, appeals in Russian to the population of Karabakh to leave the territory of the Nagorno-Karabakh Republic within 48 hours have been constantly transmitted by Baku radio. It has been claimed

that the Lachin corridor has already been seized, that fighting is going in the suburbs of Shushi, and that Armenian detachments are retreating in disarray in other areas. However, completely opposite reports are emanating from the headquarters of the Nagorno-Karabakh Republic's Self-Defense Forces: According to its reports, Azerbaijan has not been successful in any sector and all attacks have been repulsed. The Lachin corridor has not only remained under the control of the Nagorno-Karabakh self-defense forces but has been extended somewhat. According to the staff's reports, Azerbaijani losses in the space of a few days amount to over 400 killed, and their army has lost over 10 units of armored equipment. Even if you take into account the fact that in such cases both sides naturally try to exaggerate their real achievements to a certain extent, the latest Azerbaijani offensive in Nagorno-Karabakh has not brought about any tangible results.

## Azerbaijan

### Defense Minister Comments on Cease-Fire Meeting

*LD2309230192 Moscow ITAR-TASS in English 1714 GMT 23 Sep 92*

[By AZERINFORM correspondent for TASS]

[Text] Baku September 23 TASS—Until a clear mechanism of cease-fire is elaborated, the Azeri-Armenian conflict settlement is out of the question, said Azeri Defence Minister Ragim Gaziyev, commenting on results of his recent meeting with the Armenian and Russian defence ministers near Sochi.

During the meeting, the Armenian defence minister for the first time officially recognized the fact of the Armenian armed forces' presence in the Karabakh uplands area, he said.

The minister stressed the introduction of any peacekeeping forces in the armed conflict areas - both in Azerbaijan and in Armenia - will be possible only on agreement of each side.

He said a day before the sides-agreed term of cease-fire another meeting of defence ministers from the three Transcaucasian republics is expected to be held either in Moscow or in Tbilisi.

The meeting is expected to be attended by joint commissions on the elaboration of conditions and methods of the Azeri-Armenian conflict solution, and to witness the exchange of protocols on the mechanism of withdrawal of armed units from the combat operations areas and measures to control the agreement implementation.

"The Azeri representatives have been staying in Moscow for three days, in accordance with the Sochi agreements, still the Armenian representatives have not come," said Gaziyev. "At the same time, the Armenian side has not stopped and even intensified shelling of Azeri populated localities," stressed the minister and expressed the hope the situation on the Azeri-Armenian border will improve before the cease-fire term comes.

### Elchibey Decree Establishes Military Draft

*OW2409012492 Moscow INTERFAX in English 1718 GMT 23 Sep 92*

[From the "Presidential Bulletin" feature; following item transmitted via KYODO]

[Text] President Abulfaz Elchibey has signed a decree regarding the induction to active military duty of the citizens of Azerbaijan in October-December, 1992.

In compliance with the president's decree, liable to military duty become all the citizens of Azerbaijan aged 18 at the moment of the decree issuance, as well as the persons born from 1966 through 1974. The persons who have no right to the waiver from the military service but who cannot bear arms due to their religious convictions will be called to the alternative (labor) service.

IF [INTERFAX] Note: The presidential decree was preceded by a series of resolutions by the country's highest power echelons aimed at curbing cases of evasion of military service. Those documents have endowed the republic's procurator and interior agencies with additional authority for exposing the "deserters and their accomplices".

### Martuni Reportedly Falls to Azerbaijan Forces

*OW2309232792 Moscow INTERFAX in English 1913 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] On Wednesday [23 September] Azeri forces in Nagorno- Karabakh drew Armenian units out of the regional center of Martuni and took control of the city, the Azeri Defense Ministry told IF [INTERFAX]. Meanwhile, the Karabakh news agency denied this report. According to the news agency, on Wednesday afternoon heavy fighting was waged in the Gadrutskiy region of Nagorno-Karabakh, where Armenian self-defense forces managed to deter the Azeri offensive.

### Defense Ministry Updates Fighting 23 Sep

*OW2409065792 Baku Azerbaycan Radio Televiziyasi Television Network in Russian 1615 GMT 23 Sep 92*

[Report issued by the Azerbaijani Ministry of Defense Information Analysis Center on 23 September; from the "Informasiya Studiyasi" program]

[Text] The Azerbaijani Armed Forces have conducted yet another successful military operation. The Fizuli subunits of the national army, having launched an advance, liberated the city of Martuni, now called

Khodzhaven, which was considered to be an unassailable enemy fortress, as well as the (Khodzhaven) settlement today. Simultaneously, our valiant fighters occupied the two strategically important heights of (Koynekhtepe) and (Kyultepe) and one other Armenian post in the direction of Gadrut. As a result of this operation, five tanks and seven guns were destroyed, and more than 200 enemy soldiers were killed.

Operations continue in the other regions of Karabakh, as well. Fighting has intensified on the Agdam front and in the south of (Agdereinskiy) Rayon, while the situation on the Armenian border remains tense.

Fighting for control of the village of (Gochas) in the Lachinskiy Rayon also continues. Two BMP's [infantry combat vehicles] were destroyed and a significant number of the enemy was killed. Last night, Armenian armed units breached the air and ground borders of Azerbaijan and, with helicopter support, attacked the populated area of (Gochas). This new attempt at aggression was repulsed.

Last night, Tauzskiy Rayon was the target of small-arms fire from the Armenian side. The villages of (Saraly Khashtat), (Guydera Khashtat), and (Guyngeshlag) in the Zangelanskiy Rayon sustained fire from small arms and heavy-caliber machineguns; and the village of (Farejian) in Lachinskiy Rayon received fire from a variety of weapons. Today, the villages of (Akhkyan), Kazanchi and (Seydlar) in Zangelanskiy Rayon were shelled by artillery. The Kazakhskiy, Akstafinskiy, and Kedabekskiy Rayons, along with the Nakhichevan Autonomous Republic, remain relatively quiet.

A meeting of the defense ministers of Azerbaijan, Russia, Armenia, and Georgia was held in Sochi on 19 September. Talks devoted to the restoration of peace in the Transcaucasus region were conducted, at the initiative of official circles in Russia. In this context, the possibility of cease-fires on the Armenian-Azerbaijani border and in the upper Karabakh region was discussed. It was agreed to cease military operations as of 25 September on the condition that precise means of implementing that cease-fire will have been worked out by that date.

However, Armenia has done nothing to ensure that the signed agreement does not remain merely a paper exercise, and, in fact, declined to participate in joint work to develop the means of cease- fire implementation in the area of conflict.

All parties present at the meeting recognized that upper Karabakh is an inalienable part of Azerbaijan and that there cannot be any talk about conferring official status on Nagorno-Karabakh. Azerbaijan reiterated that it will not allow the insinuation of a third party into the conflict and will continue to oppose the presence of armed forces from any other state in upper Karabakh.

## Armenia Raids Azeri Positions in Lachin

*LD2309132992 Moscow ITAR-TASS in English 1251 GMT 23 Sep 92*

[By AZERINFORM correspondent]

[Text] Baku September 23 TASS—Armenian armed units supported by combat helicopters violated the border and raided the positions of the Azeri National Army in Azerbaijan's Lachin District on Wednesday [23 September]. There are casualties, according to the Information-Analytical Centre of the Azeri Defence Ministry. Repulsing the raid, Azeri units destroyed armoured vehicles of the enemy and inflicted casualties. Populated localities of Azerbaijan's Zangelan, Tauz and Kybatliy Districts came under fire from the Armenian territory on the night from Tuesday to Wednesday.

According to the Azeri Defence Ministry, there is fierce fighting in the Agderin District of Nagorno-Karabakh. There is loss of life, many people were wounded.

## Gasymov Accusses Syria, Lebanon of Aiding Armenia

*TA2409122292 Ankara Turkiye Radyolari Network in Turkish 1000 GMT 24 Sep 92*

[Text] Azerbaijani Foreign Minister Tofik Gasymov has accused Syria and Lebanon of extending aid to Armenia in weapons and troops. In a statement to AA [ANATOLIA], Gasymov, who is currently in New York for the UN General Assembly session, charged that Armenia is also receiving weapons from Russia. Pointing out that Russia should distribute the weapons remaining from the former Soviet Union equally among the republics, Gasymov claimed that Azerbaijan has not received its full share.

## Railways, Electricity Talks Held With Armenia

*NC2209131192 Baku AZERINFORM in English 1249 GMT 21 Sep 92*

[Text] Baku, 21 Sep (AZERINFORM)—The meeting between governmental delegations of Armenia and Azerbaijan has been appointed for today 3 pm on the border of Sadarak area of Nakhichevan. The delegations are going to solve the problems of railway communication resumption between two Republics and supply of electric power to Nakhichevan. Unfortunately, few talks on communications resumption broke off more than five months ago after the events in Megrinskiy area of Armenia finished without any result. According to the State Statics Committee of Azerbaijan the forced break in railway traffic and lack of electric power has paralyzed all the spheres of the national economy and become the reason for social tension in Nakhichevan.

[In a shorter report, Yerevan Armenia's Radio First Program Network in Armenian at 1730 GMT on 21 September adds the following: "A meeting took place in the Sadarak border town of Nakhichevan Autonomous Republic on 21 September between the Armenian and

Azerbaijani Government delegations led by the deputy Supreme Soviet chairmen of the two republics, Saakyan and Dzhalilov.

["The sides examined issues relating to the restoration of rail communications between Armenia and Nakhichevan and to the supply of power to Nakhichevan."]

## Georgia

### Commission Signs Cease-Fire, Disengagement Pact

*LD2409010192 Moscow ITAR-TASS World Service in Russian 2340 GMT 23 Sep 92*

[By ITAR-TASS special correspondent Mikhail Shevtsov]

[Text] Gudauta, 24 Sep—The latest agreement on a cease-fire beginning at 0000 on 24 September and the disengagement of the conflicting sides to a distance of one km from the line of contact in the region of the Bzyb River and the village of Kolkhida was signed late in the evening of 23 September in Gudauta at a session of the commission for monitoring and inspection in Abkhazia.

As of 1000 on 25 September four mixed observation posts are to be established in the corridor which will have formed.

The agreement was signed by the following: Yuriy Vorobyev, deputy chairman of the Russian Federation State Committee for States of Emergency, on behalf of the Russian side; republican government leader Tengiz Sigua, on behalf of the Georgian side; and Abkhazian Supreme Soviet member Sergey Shamba, on behalf of the Abkhazian side.

To ensure the confidence of the sides and the stabilization of the situation in the conflict zone, it is also intended to set up a tripartite observation commission made up of Georgian, Abkhazian, and Russian representatives. The commission is to start work on 1 October.

Furthermore, it was decided before the beginning of the commission's operation to withdraw Georgia's armed formations from the town of Sukhumi, with the exception of those necessary to protect the railways and main roads. The number of these formations will also be determined by the joint commission. The sides assumed the obligation to establish the necessary conditions for the resumption of work by the Abkhazian Supreme Soviet as of 3 October.

The 23 September session of the commission for monitoring and inspection in Abkhazia passed in an exceedingly complex atmosphere. Beginning in Sukhumi, it ended at 2200 in Gudauta with the signing of a final version of the agreement.

The transfer of the session from Sukhumi to Gudauta was due to information circulated during the day by the Georgian side that the Abkhazian side had allegedly attempted to seize the town of Gagra. After members of the commission arrived in Gudauta, it was revealed that this information did not correspond to reality; there had been no storming whatsoever. In actual fact, a battle raged during the afternoon for the commanding heights in the area of the village of Kolkhida. Moreover, the Abkhazian side was on the defensive. The Georgian side's motives for disorienting the commission are not yet clear.

### Further on Cease-Fire Details

*OW2409001792 Moscow INTERFAX in English 1913 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] The warring sides in the conflict zone in Abkhazia will be obliged to cease fire beginning from 00:00 hours Sept. 24 and disengage forces, taking them apart at a distance of 12 km on both banks of the river Bzyb, reads the decision made Wednesday [23 September] at the session of the tripartite commission for control and inspection of the situation in Sukhumi. According to the decision, the Georgian side will be moving its forces to an area north-west of the town of Gagra, while the Abkhazian forces would be relocated south-east of Pitsunda. Thereafter, the conflict area will acquire the status of a demilitarized zone [DMZ] where law and order will be maintained by the local police.

Beginning from 10 a.m. on Sept. 24, four observation posts will be installed in the DMZ. The cease-fire and disengagement decision was signed by the heads of the Russian and Georgian delegations. The Abkhazian side pledged to cease fire and move its forces at a distance of 3 km, which fact means that the sides have not reached complete understanding regarding this issue.

The commission also addressed the issue of stabilizing the situation and insuring safety of peaceful population in the town of Sukhumi. For this purpose, a decision was made to set up a tripartite commission for stabilizing the situation and insuring safety of peaceful population composed of the Georgian and Abkhazian sides and representatives of the Russian delegation there. This commission will supervise over the operation of and render assistance to local police in their maintaining law and order in the area. The commission will initiate its work on October 1, 1992.

With the beginning of operation of the above commission, Georgia will remove from the area all of its armed forces except for the armed formations indispensable for protecting various engineer installations at railroads and highways.

### State Council, Abkhaz Troops Clash in Gagra

*LD2409102192 Moscow ITAR-TASS World Service in Russian 0857 GMT 24 Sep 92*

[By freelance ITAR-TASS correspondent Mikhail Kasoyev]

[Text] Tbilisi, 24 Sep—Fighting with the use of armed vehicles in the region of the town of Gagra (western Georgia), which is under the control of Georgian state troops, ended at 1000. A freelance ITAR-TASS correspondent was informed at the press center of the town coordination headquarters that in the course of storming Gagra, the Abkhaz fighters and irregulars of the Confederation of the Mountain Peoples of the Caucasus seized the positions of the Georgian troops on the approaches to the town and held them for one hour. Panic started among some of the civilians in the town. The government troops, counterattacking, managed to repel the enemy. As a result of the fighting, one person was killed and eight wounded on the Georgian side. There are casualties on the Abkhaz side as well. The fate of one Georgian unit that was surrounded in the region of the village of Kolkhida is still unknown.

### Georgia, Russia To Control Abkhazia Air Space

*OW2409105892 Moscow INTERFAX in English 1011 GMT 24 Sep 92*

[Following item transmitted via KYODO]

[Text] Georgian observers and Russian servicemen will control the air space of Abkhazia. The Abkhazian Provisional Administration Committee informed IF [INTERFAX] that a corresponding agreement was reached on Wednesday [23 September] evening during the talks between Georgian Premier Tengiz Sigua and the commanders of the anti-aircraft unit located in Gudauta. The talks took place in the Gudauta military airfield. The reached agreement bans the flights of military helicopters in the conflict zone. Passenger liners will fly without any restriction.

### Sigua To Raise Issue of Mountain People Fighters

*LD2309154592 Moscow ITAR-TASS World Service in Russian 1320 GMT 23 Sep 92*

[By ITAR-TASS corrrespondent Mikhail Kasoyev]

[Text] Tbilisi, 23 September—Before the start of the next session in Sukhumi of the commission for monitoring and inspection in Abkhazia, Georgian Premier Tengiz Sigua said today that the Georgian side intends to raise again—in the form of an ultimatum—a reminder of the need for fighters of the Confederation of Mountain Peoples of the Caucasus to be withdrawn from the conflict zone before 25 September. If not, Sigua said, the Georgian military command "will be obliged to resort to methods of force, and by use of its own armed forces to achieve the fulfillment of the agreements laid down by the Moscow final document."

### Shevardnadze Views Trip to United Nations

*LD2209160692 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1400 GMT 22 Sep 92*

[Interview with Eduard Shevardnadze by N. Gongadze in Tbilisi; date not given; from the "Novosti" newscast—recorded]

[Text] [Gongadze] [Passage indistinct] Eduard Shevardnadze, the head of the Georgian State Council, is flying out to New York to take part in the work of the 47th session of the UN General Assembly.

Eduard Amvrosiyevich, the Abkhaz conflict has not yet been extinguished. The elections, it might be said, are literally right in front of us, and you are going off to America. Can this visit be justified and is it needed by Georgia now?

[Shevardnadze] Well, I think that it can be justified, you know. First, it is in the interests of the elections, and the people's mood on the whole is in keeping with this decision.

[Gongadze] Well, the malicious tongues are saying that you are going just for material aid.

[Shevardnadze] No, I do not expect us to get material aid right now. I must convince the world community that we are dedicated to the democratic path of development of the country. I will try to do this. I must report on the situation which has taken shape in the Caucasus region as a whole. There are still things to be said, you know, about the problems that will arise that are of concern not only to the peoples of the Caucasus but of a more extensive region as well, and I would even say of the whole world. I have a number of prognoses, a number of ideas about how we can all, together, extricate ourselves from this dead-end situation, from a difficult and complex situation. That is my mission.

### Shevardnadze Visits Sukhumi; Meets NATO Team

*PM2409091192 Moscow IZVESTIYA in Russian 19 Sep 92 Morning Edition pp 1-2*

[Report by Besik Urigashvili: "Georgian Leader's Unexpected Visit to Sukhumi"]

[Excerpts] Tbilisi—Shevardnadze's visit to Sukhumi was a complete surprise for all those observing the course of the conflict in Abkhazia. In the opinion of a number of journalists who are covering events in this region of Georgia, Shevardnadze's sojourn in the Abkhaz capital was a propaganda stunt and can hardly be expected to yield practical results.

The Georgian State Council chairman met with the Georgian part of the Abkhaz leadership and parliament and was mainly interested in the issues of law and order

and food supplies. At a meeting with intelligentsia representatives in Sukhumi he again stated the need to restore power structures in the autonomous formation. [passage omitted]

While the Georgian leader was in Sukhumi, in Gudauta V. Ardzinba was receiving representatives of the UN goodwill mission who had come to Georgia on the personal request of Eduard Shevardnadze.

Against the background of the Abkhaz events, the visit to Tbilisi by a NATO representative delegation headed by Christopher Donelli, personal representative of the secretary general of that organization, passed almost unnoticed. The NATO delegation's first meeting with the Georgian State Council chairman was entirely confidential. After a second meeting, Shevardnadze made a statement expressing his satisfaction with these contacts. He called on NATO to take a more active part in resolving regional conflicts and building armed forces in the new states, which, according to Shevardnadze, is being done "at an elementary and primitive level, and is therefore difficult to control." [passage omitted]

## Estonia

### Foreign Minister Refutes Kozyrev's Charges at UN

*OW2409020992 Moscow BALTFAX in English 1826 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] Estonian Foreign Minister Jaan Manitski said charges made by Russian Foreign Minister Andrey Kozyrev at the United Nation General Assembly Tuesday [22 September] that the Estonian government had violated the rights of the Russian-speaking community were "intended more for Russia's internal aims". Commenting on Mr. Kozyrev's address, Jaan Manitski emphasized that international observers present at the presidential and parliamentary elections which took place September 20 found no deviations from international norms. He said, "all citizens of Estonia were able to participate in the elections, regardless of their nationality".

The Estonian Foreign Minister emphasized that the republic's government hopes for good-neighbourly relations with Russia which "at the present time are unfortunately still complicated by the presence of Russian military units on Estonian territory".

### Russian Envoy on 'Tough Stance' in Relations

*LD2409041892 Moscow ITAR-TASS in English 1840 GMT 23 Sep 92*

[Text] Tallinn September 23 TASS—The Government and the people of Russia are not indifferent to the discriminatory policy pursued by some republics of the former Soviet Union, Aleksandr Trofimov, Russian ambassador to Estonia, said on Wednesday [23 September].

Trofimov said the question about Russia's tough stance in relations with Estonia is not new. He said it is odd that 40 per cent of Estonia's residents are deprived of the franchise. He stressed that Russia has always raised this question on the international level. "We have a moral right to do so. Above all Estonia and other states gained independence thanks to the victory of democracy in Russia," Trofimov said.

"The Estonian side should reconsider its position. It might help resolve the deadlock," the ambassador said.

### Government Changes Structure of Special Service

*OW2409021192 Moscow BALTFAX in English 1827 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] On Wednesday [23 September] the Estonian government introduced amendments to the resolution on the Special Service in Estonia, changing its structure.

It was decided to liquidate the 3rd bureau of the Special Service which was engaged in gathering operational information. Its functions will be transferred to the Police Department. The Special Service will have a department for economic problems.

Interior Minister Robert Narska told journalists that the government's decision is based on recommendations by the government commission which worked last summer.

### Government Obliges Offices To Compile Blacklists

*OW2409021292 Moscow BALTFAX in English 1827 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] The Estonian government passed a resolution Wednesday [23 September] obliging a number of ministries and departments to work out by October 15 the principles of compiling so-called "black lists" which will include the persons who have violated border regulations, customs rules, the provisions of the Law on Immigration, as well as criminals and "politically undesirable" persons.

The republic's Interior Minister Robert Narska told journalists that in the future the officials in charge of issuance of entry visas to Estonia will be checking the applicant's name against the "black lists". "Thereby we will preclude arrival in Estonia of criminals and politically dangerous persons," Mr. Narska said. The practice of running such lists is widely used throughout the world.

The elaboration of principles for the compilation of the "black lists" has been vested in the departments of border guard, police, migration, and the Ministry of Foreign Affairs.

### Congress Questions Russia's Position on Elections

*OW2309204692 Moscow BALTFAX in English 1613 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] The Wednesday [23 September] session of the Estonian Committee, the control body of the Congress of Estonia—a social organization uniting citizens of the pre-war Estonian Republic adopted an address to the government of the Russian Federation which contains its puzzlement at the stance the Russian Government occupied in regards to the elections to the State Assembly (parliament) of the Estonian Republic.

The document reflects concern of the Committee of Estonia that in commenting on the recent elections to the Estonian parliament the Russian Government raises the issue of infringement on the rights of the Russians in the republic. The Committee regards such statements as interference in the affairs of the Estonian Republic. International observers who were attending the elections, the statement contends, did not notice any human rights violations.

"Hopefully, by unconditionally pulling out the occupation troops, acknowledging the 1920 Tartu Peace Treaty as the basis for the relations between the two countries, and contributing to voluntary resettlement of the Russian citizens at their homeland the Russian Government will begin correcting the historic injustice in regards to Estonia it has committed," reads the statement of the Committee of Estonia.

The Russian foreign minister, Andrey Kozyrev, in his speech at the 47th session of the UN General Assembly said, "the situation when 42 percent of the population in the Estonian Republic have been excluded from participating in the elections cannot, by any means, conform with the provisions of international law. We are posing this issue in the UN, and we will continue to do so at other international forums".

### 10th Session Set for 26 Sep

*OW2309213892 Moscow BALTFAX in English 1612 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] The 10th session of the Congress of Estonia, social organization uniting the citizens of the pre-war Estonia, will be convened in Tallinn September 26. The agenda of the session which is expected to be the last was approved at the session of the Congress' control body - the Committee of Estonia.

The Committee of Estonian has prepared for the session drafts of two documents: "The Declaration of the Congress on Reinstatement of Legal State Power and Termination of its Authority" and "The Address of the Congress of Estonia to the State Assembly".

The session is expected to be addressed by three of the four candidates for the republic's presidential office: Ms Lagle Parek, Mr Lennart Meri and Mr Rein Taagepera.

The Estonian Committee has appealed to the republic's State Council with a proposal to acknowledge national independence of the "countries included in the Organization of Unrepresented Peoples", first and foremost, the Chechen Republic and Tatarstan.

The Organization of Unrepresented (in international organizations) Peoples was incepted with active participation of the Estonian Committee in Hague in 1991.

## Lithuania

### France Agrees To Help Develop Stock Exchange

*WS2109130292 Vilnius ELTA NEWS BULLETIN in English 1310 GMT 18 Sep 92*

[From ELTA "NEWS BULLETIN" No. 82]

[Text] 18 September 1992—On September 17 at the French Embassy in Vilnius the ceremony of the signing of the agreement between the Governments of the Republic of France and the Republic of Lithuania on the support forming the Lithuanian stock exchange centre of the national securities was held. The French Government had granted 5 million francs and the Union of the French Stock Exchange Centres—20 million francs to the foundation of the stock exchange in Lithuania. Its foundation's technology and the programme equipment will cost 200 million francs and the adaptation of the French technology in Lithuania will cost 5 million francs. The document was signed by Vice-Chairman of the French Treasury Dov Zeran and the Lithuanian Minister of Finance Audrius Misevicius, authorized by the two Governments. France had already rendered its assistance to Poland, Chechia, Slovakia and the Ukraine in establishing analogous stock exchange centres there.

### Bank Alters Terms of Currency Implementation

*OW2309214492 Moscow BALTFAX in English 1610 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] The Lithuanian experts assigned by the republic's Procurator General to establish the circumstances surrounding the implementation of the government order for printing national currency - the Litas - established that in August 1991 the Bank of Lithuania, at its own discretion, altered the terms for implementing the agreement, changing the final date from January 30, to December 31, 1992. The Bank ventured these actions without notifying the Lithuanian government.

These revelations of the Lithuanian experts were published Wednesday [23 September] in the "Lietuvos rytas" ("Morning Lithuania") paper.

The experts' conclusions corroborate the earlier statement by the Lithuanian ex-premier Gediminas Vagnorius who accused the chairman of the board of directors of the Bank of Lithuania, Vilius Baldisis, of deliberate violation of provisions of the agreement re printing of the Lithuanian national currency.

### Government Orders Elimination of Rubles on 1 Oct

*LD2409043692 Moscow ITAR-TASS in English 1830 GMT 23 Sep 92*

[By ITAR-TASS correspondent Kazis Uscila]

[Text] Vilnius September 23 TASS—Roubles will be removed from circulation in Lithuania on October 1, in accordance with today's decision of the republican government.

Banks and other establishments involved in the monetary circulation provision shall exchange roubles to general coupons currently in parallel circulation with the rouble. The exchange will be done on the one to one basis.

## Democratic Party To Propose 84 Candidates

*OW2309214592 Moscow BALTFAX in English 1611 GMT 23 Sep 92*

[Following item transmitted via KYODO]

[Text] The Lithuanian Democratic Party of Labor (nee, Independent Communist Party) intends to propose a list of 84 candidates for the elections to the republic's parliament scheduled for October 25.

According to the information revealed by the party chairman Algirdas Brazauskas and his deputy Gediminas Kirkilas at a briefing for journalists in the Lithuanian parliament Wednesday [23 September], the list of the party candidates includes 10 doctors of science, 10 candidates of science. 74 of the candidates have higher education. A number of candidates formerly were not members of the communist party.

In the words of the party leaders, the party candidates will adhere to the motto, "The goal of all reforms is to improve the life of the people". The candidates of the party will focus their attention on searches for the ways out of the economic crisis.

The Lithuanian Democratic Party of Labor which comprises nearly 18,000 members enjoys the support of up to 60 percent of the republic's population.